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Japan

Business Leaders Urge Tariffs for Rice Imports

OW2112045891 Tokyo KYODO in English 0234 GMT 21 Dec 91

[Text] Tokyo, Dec. 21 KYODO—In response to the final draft of global trade talks, Japanese business leaders urged the government Saturday to come to a decision on liberalization of trade, including the potential import of rice.

Arthur Dunkel, director general of General Agreement on Tariffs and Trade (GATT), presented the final draft Saturday in Geneva, hoping to conclude the Uruguay Round of multilateral trade talks.

Gaishi Hiraiwa, president of the Federation of Economic Organizations (Keidanren), said he is not surprised Dunkel produced in the draft a comprehensive conversion of trade barriers to tariffs.

Hiraiwa said Japan ought to decide on opening up the rice market, and possibly by accepting tariffs, depending on the outcome of decisions made by the United States and the European Community.

"From a broader point of view, Japan should come up with a decision toward an early conclusion of the talks," he said.

Takeshi Nagano, president of the Japan Federation of Employers' Association (Nikkeiren), said, "liberalization of trade is inevitable for Japan," which relies heavily on trade. "We must avoid a situation where Japan is blamed for failure of the talks."

Masaru Hayami, chairman of the Japan Association of Corporate Executives, said, "we must not lose the opportunity to make a decision."

Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and Industry, called on the government to adopt a comprehensive agricultural policy aiming at economically self-reliant farming.

The business leaders also urged the government to make efforts in other fields, such as anti-dumping measures, intellectual property, and services, for a successful conclusion of the talks.

Cabinet Members Decide Against GATT Proposal

OW2512031291 Tokyo KYODO in English 0240 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—Key cabinet members agreed Wednesday not to replace for the time being Japan's virtual ban on rice imports with tariffs as proposed by the director general of the General Agreement on Tariffs and Trade earlier this week, officials said.

Foreign Minister Michio Watanabe, Farm Minister Masami Tanabu, and Chief Cabinet Secretary Koichi Kato reached the decision in a meeting on GATT Chief Arthur Dunkel's proposal that the 108 negotiating countries convert all nontariff farm-trade barriers into tariffs that would be reduced gradually.

Prime Minister Kiichi Miyazawa did not attend the session.

The ministers also agreed to watch how other GATT member countries react to Dunkel's draft agreement, the officials said.

Further on Cabinet Decision

OW2512050491 Tokyo KYODO in English 0451 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—Japan's key cabinet members agreed Wednesday to keep the country's rice market closed in defiance of a last-ditch draft accord tabled last week by the head of the General Agreement on Tariffs and Trade (GATT), government officials said.

Prime Minister Kiichi Miyazawa did not attend the session, designed for the ministers to study the GATT paper, not to make any decision on it. [sentence as received]

The 15 ministers at the meeting also reaffirmed Japan's commitment to the Uruguay Round of global trade negotiations being held under the auspices of GATT, but that it is "premature" to make Japan's stance clear on the final draft accord, the officials said.

Instead, they agreed that Japan should closely watch how other major countries react to the text of the accord.

The officials said Minister of Agriculture, Forestry, and Fisheries Masami Tanabu showed dissatisfaction with the idea contained in the paper drawn up by GATT Chief Arthur Dunkel of converting all farm-related nontariff trade barriers into tariffs that would be reduced gradually, a process called tariffication.

"It is not fair that Japan is asked to accept tariffication (for rice) while export subsidies will not be totally scrapped," he was quoted as saying.

Japan, along with South Korea, Canada, and a few other countries, has opposed the tariffication scheme, which it believes will force it to relinquish a long-standing ban on rice imports.

Tokyo has repeatedly said it will give ground on the rice issue only if the United States and the European Community (EC) make concessions, particularly on the contentious issue of export subsidies.

Foreign Minister Michio Watanabe, also present at the meeting, stressed the need for Japan to keep a watchful eye on the moves of the U.S. and the EC.

The U.S. has withheld comment on Dunkel's document, while the EC is reported to be negative about it.

Other participants in the cabinet meeting, including Minister of International Trade and Industry Kozo Watanabe and Finance Minister Tsutomu Hata, also said the document will not become a final agreement since there are many points, such as rules against dumping, left to be negotiated.

Officials Agree To Refuse Tariffs

OW2612052991 Tokyo KYODO in English 0512 GMT 26 Dec 91

[Text] Tokyo, Dec. 26 KYODO—Top government and ruling Liberal Democratic Party (LDP) officials agreed Thursday that Japan will refuse to replace its rice import ban with tariffs in talks between Prime Minister Kiichi Miyazawa and visiting U.S. President George Bush in January, officials said.

The agreement came at a meeting in a Tokyo hotel to discuss plans for Bush's four-day visit to Japan beginning January 7.

Among the officials at the meeting were Foreign Minister Michio Watanabe, Chief Cabinet Secretary Koichi Kato, and LDP Secretary General Tamisuke Watanuki.

Watanabe was quoted as saying that Japan will categorically reject the tariffication plan, which would open the door to imports of rice into the Japanese market.

Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), has submitted a 500-page document outlining plans to replace quotas or import bans with tariffs which would be gradually reduced, particularly in agricultural trade.

The officials agreed Japan will continue to negotiate with the United States and other GATT member countries over the easing of the rice import ban even after January 13, which was set as a deadline in Dunkel's document.

The 8.25 billion dollar superconducting super collider (SSC) project in Texas and Japan's imports of U.S. automobile and their parts are expected to be at the top of the agenda during the Bush visit in an attempt to rectify the trade imbalance in Japan's favor between the two countries.

Watanabe referred to the recession in the United States and said that Japan should understand the U.S. stand and take positive steps to reduce the trade deficit.

Deputy Cabinet Secretary on Uruguay Round Talks

OW2512021491 Tokyo NHK General Television Network in Japanese 1235 GMT 24 Dec 91

[Interview with Motoji Kondo, government deputy chief cabinet secretary, by NHK newscaster Tadashi Sonoda at the NHK studio in Tokyo; date not given—recorded]

[Text] [Sonoda] I have interviewed Deputy Chief Cabinet Secretary Kondo, who has been engaged in Uruguay Round negotiations since he served as agriculture, forestry and fisheries minister.

What do you think of a draft final agreement offered by GATT Director General Dunkel?

[Kondo] My conclusion is that the draft final agreement did not necessarily reflect what Japan has asserted. Looking at reactions from other nations concerning the draft final agreement, they appear to share Japan's view. I believe they may see the draft agreement as the foundation for future assertions.

[Sonoda] I believe that Japan is a nation that has benefited the most from the free trade system. I think Japan should take the position of settling the Uruguay Round by accepting the draft final agreement offered by GATT Director General Dunkel ahead of other nations, rather than taking the passive position of deciding its attitude on the draft agreement after watching progress in negotiations between the United States and the EC. What is your view?

[Kondo] Japan has been requested to move agricultural talks forward by accepting the tariffication and minimum access offered by the GATT, but it cannot. Japan should not lay down any obstacles to the talks, but it is impossible for Japan to take any initiative at the agriculture talks, and the country is in no position to do so. In that sense, I believe that such a request is based on mistaken judgment.

[Sonoda] President Bush will visit Japan early next year. The U.S. side is expected to ask Japan to make concessions at the agriculture talks when the President visits Japan. How does Japan plan to deal with this U.S. request?

[Kondo] I think that President Bush will not make any tough demands in connection with the rice issue. In the past, the President has expressed the hope that Japan will cooperate with other nations concerned in moving agricultural talks forward at the Uruguay Round. In view of his remarks, I think that the President will express the same hope during his visit to Japan. The Japanese side will tell the President that Japan understands the need to make the Uruguay Round a success, and it will do its utmost to that end. The Japanese side also will point out the waiver clause, import surcharges, and export subsidies on the part of the United States, and then ask the President to work together to settle issues at the agricultural talks, including those issues on the part of the United States.

[Sonoda] This question concerns prospects for the talks. According to recent reports, the EC is very unhappy with the final draft agreement offered by GATT Director General Dunkel. What do you think of the prospect for agricultural talks?

[Kondo, laughing] It is very difficult to settle issues in the final stages. I believe that agricultural talks will not settle all issues smoothly. The United States is insisting that it will be difficult to abolish the waiver clause, while the EC should formulate a common farm policy in response to the results of the agricultural talks. I think that it will not [be] easy for the EC to formulate a common farm policy. My conclusion is that the final draft agreement cannot be accepted by the United States and the EC. The settlement of farm issues between the United States and the EC holds the key to success of the agricultural talks.

[Sonoda] The Japanese Government has postponed its decision because the United States and the EC have failed to narrow their differences. If the United States and the EC reach an agreement, it would be very difficult for Japan to skirt the opening of the rice market through tariffication. The Trade Commission is set to resume its session in Geneva on 13 January next year, and there is no concrete schedule for the session, but it will be impossible to make the Uruguay Round successful by sweepingly revising the final draft agreement offered by GATT Director General Dunkel. Therefore, the final draft agreement is of great significance.

MITI Official on GATT Text, Auto Issue

OW2612090991 Tokyo KYODO in English 0856 GMT 26 Dec 91

[Text] Tokyo, Dec. 26 KYODO—Vice Minister of International Trade and Industry [MITI] Yuji Tanahashi said Thursday the ministry does not perceive a proposed final draft agreement on global trade talks to be a take-it-or-leave-it proposal.

While noting that his ministry's view is not representative of the entire government, Tanahashi said MITI believes the text serves as a "basis for solution" and leaves some room for further negotiations.

He told a news conference Japan is still awaiting moves from the United States and the European Community (EC) on the draft accord on the Uruguay Round of global trade talks.

The draft accord was proposed over the weekend by Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), the organization sponsoring the Uruguay Round talks.

Tanahashi said the ministry is dissatisfied with some portions of the paper including sections on antidumping, subsidies, and intellectual property rights. He said the ministry will state its opinions on those portions when the GATT-sponsored talks resume on January 13.

Tanahashi also indicated that the five-year-old talks will drag on into March, saying that Washington can put an agreement under its "fast track negotiating authority" if a consensus is reached by late March at the latest.

The negotiating authority denies Congress the right to amend any final package emerging from the round.

Tanahashi also said the ministry is studying ways to meet U.S. demands on its persistent auto and auto-parts trade deficit with Japan, likely to top the agenda when U.S. President George Bush visits Japan from January 7 through 10.

"We understand the auto issue provides a matter of keen interest for Americans. So we want to do what we can at present to solve the problem," he said.

He did not specify what measures are being studied, but said the U.S. wants Japan to boost purchases of American auto components by Japanese companies operating in the U.S., as well as increase imports of U.S.-made cars.

Miyazawa Hints at Increased U.S. Auto Imports

OW2512105691 Tokyo KYODO in English 1027 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—Prime Minister Kiichi Miyazawa indicated Wednesday that he will take a step toward increasing imports of automobiles and auto parts from the United States when U.S. President George Bush visits Japan next month.

Miyazawa said at a meeting of the Federation of Economic Organizations (Keidanren) in Tokyo that auto trade will be "one of the major issues to be discussed at a summit talk between Japan and the United States next January."

As part of a 12-day trip to countries in Asia and the Pacific, Bush will visit Japan from January 7 to 10 along with chairmen of the "Big Three" U.S. automakers and 15 other American business leaders.

Miyazawa told Japan's top business leaders that automobiles account for 70 percent of the U.S. trade deficit with Japan, saying "we have to do as much as we can" to deal with the problem.

The prime minister also said he hopes the people in the auto industry understand that he may give them "troubles," suggesting that he will move to increase U.S. automobile and auto parts imports which could hurt domestic automakers.

Regarding the country's defense spending, Miyazawa said the government is considering not to increase forward equipment costs since disarmament is the current major world trend following the end of the cold war.

On Tuesday, Miyazawa told Koshiro Ishida, chairman of the second- largest opposition Komeito, that the administration should avoid defense spending reductions in the area of logistics, and instead curb spending on front-line equipment.

Watanabe on Consideration for Supercollider Request

OW2512123291 Tokyo KYODO in English 1225 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—Foreign Minister Michio Watanabe said Wednesday he would give positive consideration to a request by the United States to create a joint Japan-U.S. Superconducting Super Collider (SSC) working group.

In an address to a Federation of Economic Organizations (Keidanren) Council, Watanabe, attending the meeting as a guest, said the portion of the financial burden of the SSC project that Japan should bear should be adjusted by administrators.

Japan's contribution to the creation in Texas of the planned SSC is expected to be one of the items topping the agenda during talks between Prime Minister Kiichi Miyazawa and President George Bush when he visits Tokyo next month.

The cost of the project is 8.25 billion dollars. Washington wants other nations to put up 1.5 billion dollars for the project and is asking Tokyo to foot part of the bill.

Directives Issued on Car Imports, Supercollider

OW2512135491 Tokyo KYODO in English 1338 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—Prime Minister Kiichi Miyazawa has directed the government to take steps toward easing the country's standards in car emission controls to increase imports of U.S. cars, and toward financing the U.S. Superconducting Super Collider (SSC) project, government sources said Wednesday.

Miyazawa's directives were seen as large concessions to the United States over trade issues prior to U.S. President George Bush's visit to Japan January 7 to 10, sources said.

They say Miyazawa sees Bush as "abnormally eager" to reduce the U.S. trade deficit with Japan. Bush will bring the chairmen of the "Big Three" U.S. automakers and 15 other American business leaders with him on his 12-day Asia and the Pacific trip.

The United States cites Japan's certification standards on automobile exhaust control as one of the main obstacles to the imports of U.S.-made cars, and called for Japanese standards to reflect U.S. norms.

The U.S. Government also wants Japan to cooperate in financing the 8.2 billion dollar project to construct the SSC.

The SSC, which consists of an 87-kilometer circular tunnel lined with superconducting magnets under the town of Waxahachie, Texas, is designed to probe the origin of the universe and the ultimate structure of matter by hurling protons at each other at velocities approaching the speed of light.

The U.S. hopes to finance 1.6 billion dollars of the total cost through participation by foreign countries, including Japan. It wants Japan to start financing the project beginning in fiscal 1993.

Miyazawa will promise Bush at the upcoming summit talks that Japan will cooperate in financing the SSC project, and leave the actual budgetary measures at the business-level negotiation between the two countries, government sources said.

Regarding the issue of opening Japan's rice market to imports, Miyazawa will try to avoid discussing the issue with Bush on the pretext of an earlier agreement by the two countries that the rice issue will not be a subject of bilateral discussions, according to sources.

Meanwhile, the outline of the "Tokyo Declaration" is expected to be announced by the two leaders after the summit talks have been decided by negotiations between the two governments, possibly by Wednesday, sources said.

The declaration will be focused on long-term "global partnerships" between Japan and the United States in the areas of politics, securities, economics, "cross-border affairs" and cultural exchanges, and multinational cooperation, they said.

But the two countries may not be able to agree on the final draft of the Tokyo Declaration until the joint press conference January 9. Sources say this is because the U.S. is asking to include short-term economic affairs connecting the bilateral trade imbalances, such as the one in cars and auto parts, in the declaration.

LDP Chairman on Supercollider Budget Measures

OW2612135891 Tokyo NHK General Television Network in Japanese 1000 GMT 26 Dec 91

[From the "Evening Newscast"]

[Text] Chairman Nakamura of the Liberal Democratic Party [LDP] special committee on basic research, today proposed to Prime Minister Kiichi Miyazawa that if Japan should take part in the superconducting supercollider, or SSC, project of the United States, expenses for the project should be separated from the existing budget for basic research. The project is expected to be on the agenda at the Japan-U.S. summit meeting next month.

The SSC project, which concerns the most advanced energy technology, is aimed at clarifying the functions of space and materials, and the research work has been promoted with the United States playing the leading role.

Chairman Nakamura met with Prime Minister Miyazawa, LDP Secretary-General Watanuki, and others today on this project, and stated that if Japan takes part in this project it would become necessary to provide a huge amount of funds in a currently serious financial situation, and therefore requested that another framework be created in the budget so that it would not affect the existing budget for basic research. In response, Prime Minister Miyazawa said that careful study would be conducted on practical measures, including the budget, in consultation with the Party.

Trading Firms To Expand Imports Under New Plan

OW2612115691 Tokyo KYODO in English 1132 GMT 26 Dec 91

[Text] Tokyo, Dec. 26 KYODO—Japan's six major trading companies revealed plans Thursday to increase their imports by an average 10 percent per year from fiscal 1991 to 1994 under a special program promoted by the Ministry of International Trade and Industry (MITI).

C. Itoh and Co., Sumitomo Corp., Marubeni Corp., Mitsui and Co., Mitsubishi Corp., and Nissho Iwai Corp. worked out the plans. In conjunction with the ministry's "business global partnership" program, which is meant to mitigate Japanese trade friction with the rest of the world.

The companies said they will also promote foreign investment in Japan, technology transfers from Japan to foreign countries, training of foreign personnel, and cooperation with developing countries.

Individually, C. Itoh said it will increase imports by 10 percent a year to achieve its goal of expanding imports from 4.1 billion dollars in fiscal 1990 to 6 billion dollars in fiscal 1994.

The company also said it will establish a permanent wholesale center in Osaka, western Japan, to help foreign companies export more to Japan.

Sumitomo said it seeks to expand its imports of manufactured goods from 36.6 billion yen to 53.6 billion yen during the period.

Nissho Iwai said in addition to increasing imports, it will strengthen technical and marketing tie-ups with foreign companies and employ more foreigners at its Tokyo headquarters.

Fuji To Increase Imports 50 Percent

OW2612120491 Tokyo KYODO in English 1152 GMT 26 Dec 91

[Text] Tokyo, Dec. 26 KYODO—Fuji Heavy Industries Ltd. revealed Thursday that it plans to beef up the value of its foreign goods imports in fiscal 1994 by about 50 percent from its fiscal 1990 level to 305 million dollars.

The automobile manufacturer intends to meet its target by stepping up imports of airbags and other U.S. parts, and expanding domestic sales of cars manufactured by the Swedish automaker AB Volvo.

Fuji will also boost procurement of parts manufactured at its U.S. production base, Subaru-Isuzu Automobile Inc., which the company set up with Isuzu Motors Ltd., increasing purchases by about 3.1 fold to 345 million dollars.

Fuji, which is undergoing restructuring, also announced it has sold some of its assets including part of its factory site in Omiya, Saitama Prefecture, for a total 18,869 million yen.

The Omiya plant makes industrial engines for generators and other machines.

Miyazawa, Kaifu Praise Gorbachev's Achievements

OW2512172191 Tokyo KYODO in English 1704 GMT 26 Dec 91

[Text] Tokyo, Dec. 26 KYODO—Prime Minister Kiichi Miyazawa showed respect Thursday for Mikhail Gorbachev's achievement during his term of office.

In a statement released after Gorbachev announced his resignation as Soviet president, Miyazawa said the former Soviet leader's "achievements, symbolized in his winning the Nobel Peace Prize, will remain a part of the history of this century. I highly value and express deep respect for this."

"It is worthy of mention that he visited Japan in April this year, the first top leader to do so in the history of Japan's relationship with Russia and the Soviet Union," Miyazawa said, noting that Gorbachev made efforts to promote bilateral relations.

"The president strived for promotion of perestroyka and a drastic reform of his communist system at home, and endeavored to relax tensions and end the cold war structure under the 'new thinking' diplomacy," he said.

Former Prime Minister Yasuhiro Nakasone said the people of the world would never forget Gorbachev's achievements in ending the cold war, helping to relax international tensions and promoting disarmament.

Former Prime Minister Toshiki Kaifu also praised Gorbachev, saying he pushed open the door of the history single-handed.

Further Praise for Gorbachev

OW2612122091 Tokyo KYODO in English 1209 GMT 26 Dec 91

[Text] Tokyo, Dec. 26 KYODO—Prime Minister Kiichi Miyazawa paid a high tribute Thursday to Mikhail Gorbachev's achievement during his term in office, noting he was the first Soviet leader to acknowledge the existence of a territorial problem between Japan and the former Soviet Union.

Miyazawa, in a brief interview with reporters at his official residence, said Gorbachev was the one who turned around Moscow's previous stance that there was no territorial issue with Tokyo.

The dispute involves Etorofu, Kunashiri, Shikotan islands, and the Habomai group of islets. Japan has long called for the return of the islands, which the former Soviet Union seized at the end of World War II.

The Japanese prime minister expressed his hope that Russian President Boris Yeltsin would solve the issue, pointing out past Yeltsin remarks saying he would consider the issue "abiding by justice and law."

Calling Gorbachev "one of the great politicians" in the post- world war era along with John F. Kennedy, Charles de Gaulle, and Mao Zedong, Miyazawa said the former Soviet leader influenced not only the Soviet Union but also great moves made by the world as symbolized by the collapse of the Berlin Wall.

Meanwhile, Chief Cabinet Secretary Koichi Kato said Gorbachev made efforts to promote bilateral relations by visiting Japan in April, becoming the first top Soviet leader to do so.

He also noted Gorbachev held thorough talks on the territorial dispute during the April visit.

He said Gorbachev "courageously" promoted perestroyka at home, aiming to achieve democratization and create a market-oriented economy while ending the cold war with his "new thinking" diplomacy.

Kato said Gorbachev's efforts to promote bilateral relations "opened a new page" in the history of this century and his work is "worth global evaluation."

Recognition of Russia, Republics Said Upcoming

OW2612034291 Tokyo KYODO in English 0309 GMT 26 Dec 91

[Text] Tokyo, Dec. 26 KYODO—Japanese Government may recognize the Russian Federation as early as Friday following the resignation of Soviet President Mikhail Gorbachev, Prime Minister Kiichi Miyazawa said Thursday.

Miyazawa told reporters that he considers the recognition is due because the Russian Federation has now taken the place of the Soviet Union.

Miyazawa was quoted as saying that the cabinet meeting on Friday may decide the recognition of Russia.

Japan will recognize the other republics which have formed the new Commonwealth of Independent States later, Miyazawa added.

The European Community on Wednesday recognized Russia in place of the defunct Soviet Union following Gorbachev's resignation as president.

Canada and the United States also recognized Russia.

Miyazawa earlier in the day expressed respect for Gorbachev's achievements during his term of office.

Trade Industry Calm After Gorbachev Resignation

OW2512180291 Tokyo KYODO in English 1726 GMT 25 Dec 91

[Text] Tokyo, Dec. 26 KYODO—The resignation of Soviet President Mikhail Gorbachev is likely to have little impact on Japan's trade with the neighboring nation, officials of a leading trading firm said Wednesday.

One official, in charge of trade between Japan and the Soviet Union said, "The republics have already taken over trading business from the federation. In a sense, (Gorbachev's resignation is) a plus for Japanese business since we can focus on negotiations with the republics."

However, concern has grown that dissolution of the federation might lead to confusion and trade between the two nations might be frozen, the officials said.

The trading industry, however, is remaining calm because most of the republics have agreed to join the Commonwealth of Independent States (CIS), they said.

Trade between the two nations totaled 5.91 billion dollars in 1990, of which Japan's imports came to 3.35 billion dollars, up 11.5 percent from a year earlier.

Japan's exports, on the other hand, dropped 16.8 percent to 2.56 billion dollars, with steel, inorganic chemicals, ordinary machinery, and vessels sharply down.

But exports of electric appliances like television sets, video cassette recorders and automobiles have sharply increased, showing the Soviet people's appetite for improving their living standards, the officials said.

Mainly responsible for the overall decrease in exports was the deteriorating foreign currency situation in the Soviet Union due to its economic disorder, they said. Payments in arrears by Moscow have discouraged Japanese firms from continuing exports.

In the wake of the failed coup by hardliners in August, it was uncertain who was in charge of trade in the Soviet Union. As a result, Japan's exports fell 10.2 percent in September from a year earlier to about 160 million dollars, while imports also declined 12.0 percent to some 280 million dollars, they said.

It is government financial assistance to the Soviet Union that trading firms expect will be a key factor in boosting trade with Moscow.

Japanese Government trade insurance worth 1.8 billion dollars could have a great effect, and the industry is carefully watching how the Ministry of International Trade and Industry handles the insurance, the officials said.

Although the government's policy of assisting the Soviet Union may not change if the federation gives way to the CIS, trade could possibly be suspended temporarily since

Japan has not yet established formal diplomatic relations with each republic, they said.

Government Reviews Burma, Indonesia Aid Policies

OW2412182691 Tokyo KYODO in English 1346 GMT 24 Dec 91

[Text] Tokyo, Dec. 24 KYODO—Prime Minister Kiichi Miyazawa said Tuesday that Japan may link its economic aid to Indonesia and Myanmar [Burma] to those governments' human rights records.

"The East Timorese and Myanmar problems are important. Japan will take these problems into consideration when it extends its economic aid (to these countries)," Miyazawa was quoted by Chief Cabinet Secretary Koichi Kato as telling an opposition party leader.

The Jakarta and Yangon [Rangoon] governments have been under heavy international criticism over alleged human rights violations.

The Indonesian Government says 19 people were killed November 12 in East Timor's provincial capital of Dili when troops fired in self-defense after provocation by an unruly mob at a cemetery. Eyewitnesses, including foreign journalists, say more than 100 defenseless people were machine-gunned to death in the incident.

Tokyo is Indonesia's biggest aid donor, with 1991 aid totaling 240 billion yen.

Myanmar's military junta has kept 1991 Nobel Peace Prize winner Aung San Auu Kyi under house arrest for more than two years and refused to turn over power to her National League for Democracy, which overwhelmingly won national elections in 1990.

Japan became in 1989 the first leading industrial democracy to resume the aid to Myanmar.

Miyazawa made the statement in reply to a request by Satsuki of the United Social Democratic Party that Japan link its aid policy to the human rights records of Indonesia and Myanmar, Kato said.

Diet Members Urge Revision

OW2512111491 Tokyo KYODO in English 1056 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—A nonpartisan parliamentarian group submitted a petition Wednesday to Prime Minister Kiichi Miyazawa urging the government to review its aid policy to Indonesia because of what they called human rights violations in East Timor.

The Diet members forum on East Timor handed over the petition signed by 262 parliamentarians to Chief Cabinet Secretary Koichi Kato.

The petition said arrests, detentions, executions, and torture have continued in East Timor following the shooting of an unknown number of people at a cemetery in Dili, the East Timorese capital, by the Indonesian Army November 12.

The petition calls on the Japanese Government, as a newly elected nonpermanent member of the U.N. Security Council, to work for a council resolution on the shootings, the dispatch of a U.N. fact-finding team, and the holding of a popular referendum in East Timor.

Eyewitnesses claim more than 100 people died in the November incident but the Indonesian Government has put the official figure at 19.

Indonesia invaded the former Portuguese colony in 1975 and annexed it in 1976. The United Nations does not recognize the annexation.

Japan provided Indonesia with 235 billion yen in economic cooperation in 1991, including 170 billion yen in official development assistance. It is the largest aid donor to Indonesia.

Satsuki Eda, leader of the United Social Democratic Party and secretary general of the group, told KYODO NEWS SERVICE that Japan must make its economic aid dependent on Indonesia's human rights record.

Eda said he suspects recently installed mobile radio monitoring vehicles in Dili, financed by a Japanese yen loan, might have been used by authorities to track anti-Indonesian Fretelin guerrillas in East Timor.

He said the equipment would enable Indonesian troops to mount a surprise attack on Fretelin headquarters.

The NEC Corp. equipment was installed and handed over to the Indonesian authorities in Dili last August, said an assistant to Eda, Kiyoko Furusawa.

Tokyo To Extend $1 Million in Aid to Cambodia

OW2112084291 Tokyo KYODO in English 0803 GMT 21 Dec 91

[Text] Tokyo, Dec. 21 KYODO—Japan will extend about 1 million dollars worth of emergency medical aid to Cambodia by the end of the year, a Foreign Ministry official said Saturday.

Seiji Kojima, director of the Research and Programming Division of the ministry's Economic Cooperation Bureau, said the government will extend the aid as soon as it receives an official request from Cambodia.

Kojima inspected areas in the war-torn country December 16 to 19 as head of a government mission to determine areas for aid.

He told a press conference at the Foreign Ministry that long-term aid will center on agriculture, energy, transportation, and training.

U.S. Bank Moves Generate No 'Immediate Change'

OW2512090991 Tokyo KYODO in English 0833 GMT 25 Dec 91

[Text] Tokyo, Dec. 25 KYODO—Bank of Japan Governor Yasushi Mieno said Wednesday that neither recent weak economic indicators nor the key interest rate changes made by German and U.S. central banks will cause an immediate change in Japan's monetary policy.

At a regular news conference, Mieno said the German raise in two key lending rates and the U.S. official discount rate cut will not have any direct influence on Japanese monetary policy, although he added the central bank will keep a close watch on the exchange market.

German Bundesbank increased both its discount rate and Lombard rate by 0.5 percentage point last Thursday, and the U.S. Federal Reserve Board lowered the discount rate by 1.0 percentage point just before the weekend.

Mieno said these moves are in line with the recent Group of Seven (G-7) communiques, which called for policy coordination among the G-7 countries.

The coordination among the G-7 nations is aimed at the creation of sustainable noninflationary growth, with each country's policy reflecting its own economic conditions.

The central banker also said although the Economic Planning Agency (EPA) gave a preliminary zero percent reading for the leading index of economic indicators for the Japanese economy Tuesday, showing a sharp decline in the economy, the figure does not indicate the "level" of the economy.

The figure only points to a direction, not the actual strength of the economy, he argued.

Mieno also said the EPA's leading indicators tend to fluctuate considerably month to month.

"There is no serious risk for a major downturn of the Japanese economy," he said.

He said he sees no reason that the BOJ should "take exception" to the government's economic growth projection for fiscal 1992, which forecasts a 3.5 percent real growth in the nation's gross national product (GNP).

He added, however, that it is not the margin of growth that matters, but whether Japan can achieve a "balanced growth."

The current slowdown is an inevitable process for the economy to shift to a balanced expansion after overly rapid growth in the past few years, he said.

"We are more concerned about the characteristics of the slowdown rather than the semantic argument over whether it should be termed a slowdown or recession," he said.

Mieno said the capital spending for research and development as well as for streamlining is still brisk, and consumer spending supported by the tight labor market is robust.

Asked about the draft national budget proposed Sunday by the Finnance Ministry for fiscal 1992, Mieno said the government's spending plan for the coming fiscal year is by and large acceptable in light of two main objectives—fiscal reforms and fiscal support to improve the economic conditions.

The draft budget calls for a 2.7 percent increase in the general account, and 4.5 percent expansion for general operating expenditures.

Mieno said the Japanese economy needs no fiscal stimulant at the moment, and the budget is not out of line with the present economic conditions.

He also said the Finance Ministry's decision to lift a restriction on lending to real estate businesses from the outset of next year is "reasonable."

Recent land price statistics from the National Land Agency show land prices have fallen considerably in a wide range of large cities, and it has become clear that land prices have also dropped in other parts of the country, he said.

But the central banker called for "comprehensive and long-term" land policy to curb asset inflation.

Government Sets Economic Growth Target for FY 92

OW2112044791 Tokyo KYODO in English 0207 GMT 21 Dec 91

[Text] Tokyo, Dec. 21 KYODO—The government set a goal of attaining an inflation-adjusted 3.5 percent economic growth for fiscal 1992 at Saturday's cabinet meeting, government officials said.

According to the economic outlook for the new fiscal year starting on next April 1, the nation's gross national product [GNP] is estimated to reach 483.7 trillion yen with a nominal growth rate of 5.0 percent. The government gave the GNP figure only in the Japanese yen.

Private final consumption expenditures are expected to increase 3.7 percent in real terms, while private housing investment is forecast to grow 2.8 percent in a turnaround from an estimated year-on-year drop of 9.6 percent in fiscal 1991.

Investment in plant and equipment in the private sector is also seen to increase 4.5 percent in real terms.

Prices are expected to remain stable, with wholesale prices edging down 0.2 percent and consumer prices up 2.3 percent.

The trade surplus is estimated at 96.5 billion dollars, and the current account surplus at 71.0 billion dollars, both doubling from the initial estimate for fiscal 1991.

The percentage of current account surplus in nominal gross national product will be 1.9 percent, the officials said.

Exports are projected to increase 7.5 percent to 330 billion dollars, and imports up 12.0 percent to 233.5 billion dollars after posting an expected 5.2 percent year-to-year decline in fiscal 1991.

The officials said global economic recovery will help raise the nation's exports and imports, adding that the volume may not grow so much as the amount, which could rise partly on the yen's strength on the foreign exchange market.

Brisk domestic demand will boost imports, pushing up manufactured imports up 6 to 7 percent, while imports of raw materials and oil are also expected to rise with production activities recovering, the officials said.

The contribution of domestic demand to growth is forecast at 3.6 percent, which will cover an expected 0.1 percent decline in external demand.

The government is primarily aiming at sustainable growth without inflation, powered by domestic demand as the main booster, the officials said.

At the same time, the government will also try to push ahead with active measures to improve living standards so that citizens can enjoy a more comfortable life, while creating harmonious economic relations with other nations and actively contributing to the vitality of the world economy, they said.

North Korea

Kim Chong-il Established Supreme Army Commander

SK2412225991 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 24 Dec 91

[Text] Comrade Kim Chong-il, member of the Presidium of the Workers Party of Korea [WPK] Central Committee Political Bureau and secretary of the party Central Committee, has been established as the supreme commander of the Korean People's Army [KPA].

At the 19th plenary session of the Sixth WPK Central Committee, Comrade Kim Chong-il, member of the Presidium of the WPK Central Committee Political Bureau and secretary of the party Central Committee, was established as the supreme commander of the KPA.

Party Plenum Discusses North-South Talks

SK2512004691 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 24 Dec 91

[Text] The 19th plenary session of the Sixth Workers Party of Korea [WPK] Central Committee was held on 24 December.

Comrade Kim Il-song, general secretary of the WPK Central Committee and the great leader of our party and people, chaired the plenary session.

The plenary session was attended by members and alternate members of the party Central Committee and members of the party Central Auditing Committee. Also attending the plenary session as observers were members of our side's delegation to the North-South high-level talks.

Following is the list of agenda items brought up for discussion at the plenary session:

1. The results of the fifth round of the North-South high-level talks and tasks to be fulfilled for the promotion of the country's independent and peaceful reunification.

2. The question of organization.

The plenary session was held at a stirring moment in which, under the wise guidance of the great leader Comrade Kim Il-song, the entire party and all the people, having revolutionary optimism and faith in certain victory, are hardening and developing socialism of our own style centered on the popular masses, and when the nationwide march movement for hastening the country's reunification ahead of schedule during the 1990's is being carried out more vigorously than ever in the North, the South, and abroad.

The whole course of the plenary session clearly demonstrated the unwavering will of our party and people to ensure peace on the Korean peninsula by thoroughly implementing our party's peaceful reunification lines and policy on North-South dialogue, and to provide a turning point in the country's peaceful reunification, a paramount task of the nation, at an early date.

Comrade Yon Hyong-muk—member of the Political Bureau of the WPK Central Committee, premier of the State Administration Council, and head of our side's delegation to the North-South high-level talks—made a report at the plenary session on the first of the agenda items.

Comrade Kim Il-song, general secretary of the WPK Central Committee and the great leader of our party and people, made a major conclusion on the first of the agenda items.

At the plenary session, the report on the activities of our delegation that participated in the fifth round of the North-South high-level talks was unanimously supported and agreed on.

A high appraisal was made at the plenary session of the fact that an agreement on reconciliation, nonaggression, and cooperation and exchanges between the North and South—constituting a comprehensive document of agreement for eliminating the state of political and military confrontation and for achieving diversified cooperation and exchanges between the North and

South—was adopted and announced at the fifth round of the North-South high-level talks after one year and three months of serious discussion since the first round, which began last year, and that it was agreed that the two sides' delegates should hold contacts for the purpose of resolving the nuclear issue on the Korean peninsula at the earliest possible date.

The agreement adopted and announced at the fifth round of the North-South high-level talks was considered at the plenary session to be a peaceful reunification-promoting program of epoch-making significance in ending the state of acute confrontation that has continued for nearly half a century between the North and South, in realizing national unity on the basis of mutual confidence, and in opening a new phase for national peace and the peaceful reunification of the country. The following was noted at the plenary session:

The agreement adopted between the North and South has completely embodied the three principles of national reunification—independence, peaceful reunification, and great national unity—that the great leader Comrade Kim Il-song earlier stated and has maintained from start to finish. This is the one-Korea line, reunification line, antiwar peace line, anti-outside force for independence line; these are lines that our party has consistently maintained in the struggle for national reunification.

The adoption of and announcement on the agreement on reconciliation, nonaggression, and cooperation and exchanges between the North and South have laid the foundation on which the North and South can deepen their discussions in the political, military, economic, and cultural fields in the future, and has created a practical potential for promoting mutual confidence and national unity and for opening a favorable phase for national reunification.

In particular, with the North and South committing themselves to nonaggression and confirming their common will to settle the nuclear issue on the Korean peninsula, a new breakthrough has been produced for dissipating the prevailing tension, for preventing the danger of war—a nuclear war—and for ensuring lasting peace in the country.

The adoption and announcement of a single joint agreement between the North and the South in which the three principles of independence, peaceful reunification, and great national unity have been embodied is the first epochal event since the publication of the 4 July joint statement. It has bolstered new faith and courage in hastening national peace and the country's peaceful reunification, which had been considered a distant enterprise. It constitutes great encouragement for launching the movement for national reunification more vigorously than ever on a national scale. Its realization, it was proudly noted at the plenary session, was entirely thanks to the great leader Comrade Kim Il-song's most reasonable and practical peace program and reunification line, and to a brilliant fruition of our party's sagaciously organized and led struggle.

The following was noted at the plenary session: In his historic policy speech delivered at the first session of the Eighth Supreme People's Assembly on 30 December 1986, the great leader Comrade Kim Il-song set out a proposal for convening North-South high-level political and military talks as measures for easing the state of political confrontation and military tension under the circumstances in which the United States and the South Korean authorities, while ignoring our peaceful efforts, continued to pursue confrontation and war lines.

The great leader Comrade Kim Il-song stated the need for discussing such measures in the military realm to ease the immediate state of military confrontation. These measures included reducing the armed forces, halting the arms race, turning the DMZ along the Military Demarcation Line into a peace zone, and discontinuing large-scale military exercises, along with such issues as removing the immediate state of political confrontation by ceasing to abuse and slander each other and promoting national ties by realizing diversified cooperation and exchanges.

According to this historic proposal of the great leader Comrade Kim Il-song, preliminary talks were held at Panmunjom beginning February 1989 for holding the North-South high-level political and military talks. Finally, in September 1990, one year and seven months after that, the North-South high-level talks, the full-dress round of talks, raised the curtain on their first round.

Since the South Korean authorities came to sit with us at the talks for the purpose of removing the state of political and military confrontation and for realizing cooperation and exchanges between the North and South, our party attached great significance to the North-South high-level talks that had just come into being, and guided them wisely. Our party put greater stress on guaranteeing peace on the Korean peninsula and providing favorable preconditions for a peaceful reunification of the country so that the talks could progress satisfactorily.

Thus, in the whole course of holding eight rounds of preliminary talks, five rounds of full-dress talks, and 15 rounds of contacts between the delegates, the two sides seriously sought to reach an agreement, making the detente and peace issue the central theme. Finally, as a result, at the latest—fifth—round of North-South high-level talks, the two sides came to adopt the historic agreement on reconciliation, nonaggression, and cooperation and exchanges, and to announce it at home and abroad.

Stressing the need to value and to implement sincerely the program of promoting peace and reunification provided between the North and South after twists and turns, the following was noted at the plenary session:

Guaranteeing peace on the Korean peninsula is the most urgent question for the North and the South to resolve for the country's independent and peaceful reunification before anything else.

Nothing is more valuable and urgent than peace to our people, who are constantly under the danger of war.

Only when the swords hidden inside sleeves are withdrawn and only when military confrontation has been removed will it be possible for the two sides to achieve national reconciliation and unity based on mutual confidence and to accomplish cooperation and exchanges successfully.

Confrontation benefits neither the North nor the South. Confrontation is not a trend of the present nor does it correspond to the nation's desire.

Now that the North and the South have committed themselves to nonaggression, they have no justification to waste their strength on the meaningless confrontation between the consanguineous people nor any reason to fight to the finish.

The North and the South should free themselves from the confrontational mentality, give up the use of force as agreed upon between them, settle the differences in opinion and disputes through negotiations, and take steps to realize disarmament, along with measures aimed at building military confidence at an early date so as to sincerely implement their commitment to nonaggression.

It was noted at the plenary session that the people at home and abroad are watching with keen interest to see the implementation of the nonaggression and guarantee of peace between the North and the South. It was stressed at the plenary session that above all, the South side should discontinue the Team Spirit joint military exercise as an expression of its intention to put its commitment into practice.

The need for the two sides to realize the denuclearization of the Korean peninsula at an early date by settling the nuclear issue in an open and aboveboard manner as agreed on through contacts between their delegates was noted at the plenary session.

Stressing that what is most urgently necessary for the country's independent and peaceful reunification at present is to realize reconciliation and unity between the North and the South, the following was noted at the plenary session:

The North and South have agreed to recognize and respect the other side's systems and to cease abusing and slandering the other side because of their objective to jointly aspire for reunification, respect each other, and achieve reconciliation and unity in conformity with the principle that relations between the North and the South are not relations between countries, but an internal affair of the nation.

Essentially, the question of national reunification is not a matter of either side conquering or being conquered by the other, nor is it a question of either side overwhelming and prevailing over the other side or being overwhelmed and overcome by the other, but a question of realizing national unity between the North and the South as fellow countrymen who share the same national blood vessels.

When the North and the South are reconciled and when all the people are united, it will at once lead to the national reunification for which we have hoped.

As agreed upon in their joint documents, the North and the South should take practical measures at an early date to mutually recognize and respect the other side's system, abstain from interfering in the internal affairs of the other side, cease abusing and slandering the other side, and stop doing all manner of acts to subvert and topple the other side.

At the same time, the two sides should take steps necessary to turn the truce state currently in place into a state of peace, should cease confrontation and competition, and instead should cooperate with each other in the international theater based on joint efforts.

At the plenary session, it was noted that it is important for the North and the South to realize diversified cooperation and exchanges in order to expedite the country's independent and peaceful reunification. The following was stressed:

Diversified cooperation and exchanges between the North and the South are of great significance in reconnecting severed national ties, in promoting the unified development of the country, and in providing conditions favorable to national reunification.

For the North and the South to realize diversified cooperation and exchanges, it is imperative to break asunder the wall of division that stands in the way and to obviate all manner of legacies of the era of confrontation that are obstructive to realizing free travel and full-scale openings.

The North and South should form stipulations on cooperation and exchanges as clearly stated in the agreement so as to open the road for people of all standings in the North and the South and abroad to freely visit and contact each other, thereby having not only the persons in authority, but also all the people participate in the patriotic undertakings for national reunification on a national scale.

In order to achieve a unified development in the national economy and to promote welfare for all the people in the country, the North and the South should take steps to realize economic cooperation and exchanges, such as joint development of resources, investment in joint ventures, and exchange of materials; reconnect transportation and communications networks; and share experiences acquired in such various areas as science, technology, education, literature and arts, public health, sports, and publication and press, and should cooperate with each other in such areas.

Diversified cooperation and exchanges between the North and the South should be carried out in parallel with the work designed to remove the political and military confrontation. Without the removal of the state of political and military confrontation, the idea of giving priority to exchanges should not be tolerated.

The two sides should realize humanitarian cooperation and exchanges, such as free travel and reunion among the families and relatives separated in the North and the South; should cooperate with each other, even on the international stage, in such areas as economy and culture; and should take steps for the purpose of making joint inroads abroad.

At the plenary session, it was emphasized that resolving the nation's reunification through the nation's own strength without any outside interference is a firm position to which our party adheres consistently. It was noted:

In resolving the nation's reunification issue, the nation's independent line and a line depending on outside forces cannot be compatible by any means.

Owing to the fact that the agreement on reconciliation, nonaggression, and cooperation and exchanges between the North and the South is a joint document of agreement through and through between the North and the South which embodies the nation's independent line, the nation's independent position must be adhered to when implementing it.

At the plenary session, it was emphasized that the policy to depend on outside forces must not be pursued because this runs counter to the intent of the whole nation, which is trying to guarantee its peace and to achieve the historical cause of the reunification of the fatherland, the nation's greatest long-cherished desire, by being master of its fate.

At the plenary session, it was pointed out that by sincerely fulfilling the agreement adopted by the North and the South, and announced at the fifth round of North-South high-level talks, a turning point must be confidently opened for achieving reunification in the 1990's.

At the plenary session, it was reconfirmed that starting from our nation's actual reality of different ideas and systems existing in the North and the South, reunifying the fatherland through the confederal system based on one nation, one state, two systems, and two governments is a major principle in the method to achieve the fatherland's reunification. It also was pointed out that a political consultative meeting must be convened as soon as possible with representatives of the North and South authorities, parties, and organizations to discuss and settle the method for the fatherland's reunification.

At the plenary session, it was pointed out that fulfilling the agreement on reconciliation, nonaggression, and cooperation and exchanges between the North and the South will verify and confirm the desire for peace and the will for reunification by both sides before the whole nation and the world. Measures and tasks that must be done in various fields, such as the issue of establishing subcommittees to implement the agreement, were presented.

This plenary session was a significant one because the opportunity for a momentous turning point was provided in our people's struggle to achieve the nation's peace and peaceful reunification. This will be brilliantly recorded in our party's history.

Under the wise leadership of the great leader Comrade Kim Il- song, the firm belief was expressed at the plenary session that by thoroughly fulfilling the party's reunification line and North-South dialogue policy, peace on the Korean peninsula will be guaranteed and a new turning point will be reached in the struggle to hasten reunification in the 1990's.

A resolution concerning the issues discussed was adopted at the plenary session.

The question of organization was discussed at the plenary session.

Comrades Kang Sok-chu, Kim Myong-kuk, Won Unghui, Kim Kyok-sik, Chu Sang-song, Kang Tong-yun, and Kim Ha-kyu, who are alternate members of the party Central Committee, were elected members of the party Central Committee through a by-election [poson].

Comrade Yim Su-man was elected member of the party Central Committee through the by-election.

Comrades Chong Ha-chol, Kim Ki-yong, (Kim Chungkak), (Paek Chang-sik), Kim Tae-sik, (Hyon Chol-hae), Chae Kyu-pin, Kim Yong-yong, and Chae Hyong-sik were elected alternate members of the party Central Committee through the by-election.

Comrades Han Yong-ho and (Han Yun-chang) were elected members of the party Central Auditing Committee through the by-election.

Delegates Named for 26 Dec N-S Panmunjom Contact

*SK2512051291 Pyongyang KCNA in English
0458 GMT 25 Dec 91*

[Text] Pyongyang December 25 (KCNA)—The spokesman for our side's delegation to the inter-Korean high-level talks answered a question put by a KCNA [Korean Central News Agency] reporter concerning the contact between delegates to negotiate the nuclear problem slated for December 26.

According to him, it was decided to send Choe U-chin and Kim Yong-chol, delegates of our side to the inter-Korean high-level talks, and experts Kim Su-kil, Choe Han-chun and Choe Yong-kwan to the contact.

South Said 'Afraid' of U.S.-North Nuclear Talks

SK2512050691 Pyongyang KCNA in English 0446 GMT 25 Dec 91

["Why Are They Afraid of DPRK-U.S. Negotiation?"—KCNA headline]

[Text] Pyongyang December 25 (KCNA)—No Tae-u when met a U.S. congressman Monday [23 December] said that there must be direct negotiation between the United States and the North over the nuclear problem, according to a radio report from Seoul. At about the same time the South Korean authorities issued a "statement" to this effect.

This is, indeed, a very strange argument.

As declared in an explicit term by the spokesman of the DPRK Foreign Ministry, the owner of nuclear weapons in South Korea is none other than the United States.

Though the owner of those nuclear weapons still keeps silence about their withdrawal, we stated that we will sign the safeguards accord under the Nuclear Non-Proliferation Treaty and accept inspection through necessary procedures on the premise that the U.S. will make its stand clear in the future.

Therefore, an inspection should be made simultaneously to verify and confirm the presence and absence of the U.S. nuclear weapons deployed in South Korea as we have called for and the South Korean side assented. It is quite clear and natural that there should be negotiation between us and the United States, the owner of the nuclear weapons, to this end.

Then why are the South Korean authorities so much afraid of DPRK-U.S. negotiation and making desperate efforts to check it?

This reveals the nervousness of those soaked to the bone with the concept of U.S. protege who are worried about their loss of something in U.S. protection when the negotiation is held.

The DPRK-U.S. negotiation over the U.S. nuclear weapons must be realized on all accounts and the South Korean authorities must not obstruct it. They must act with discretion, mindful that the hindrance to it will immediately be an obstruction to the denuclearization of the Korean peninsula.

U.S. Neither Confirm Nor Deny Stand Criticized

SK2612000091 Pyongyang Korean Central Broadcasting Network in Korean 0028 GMT 25 Dec 91

[NODONG SINMUN 25 December commentary: "In Pursuing Cold War in Asia"]

[Text] According to foreign news reports, U.S. President Bush openly revealed his aggressive designs on the Asian-Pacific region in his remarks before his tour of this region. Stating that the United States is a country of the Pacific region, he said that during the tour he would reaffirm the U.S. security commitments in Asia and that the U.S. forces would not be withdrawn. Saying that it is U.S. policy to neither confirm nor deny [NCND] the presence of U.S. nuclear weapons, he declined to state whether U.S. nuclear weapons were withdrawn from South Korea or not.

Bush's remarks show that the United States attaches ever greater importance to its reactionary Asian-Pacific strategy, getting overheated in strengthening domination over this region.

It is clear that during the tour, Bush will attempt to find a new occasion to implement the reactionary U.S. global strategy. Assuming that the cold war in Europe ended in victory for them, the U.S. imperialists are scheming to strengthen the antisocialist confrontation policy in the Eastern Hemisphere by directing their main spearhead at this region. By closely combining the so-called new military strategy—the strategy for settlement of local conflicts—with an Asian-Pacific strategy, they are attempting to realize their ambition in the cold war manner.

The U.S. authorities declared that they would maintain their forces in the advanced areas in Asia and reaffirm U.S. commitments and that the U.S.-Japan security and cooperation are indispensable and that the alliance of the United States and South Korea is important in the establishment of a new world order. This is a tell-tale sign of their intention to build up and intensify a military confrontation system of the antisocialist cold war in Asia. Trying to turn the Pacific into a U.S. ocean and to dominate Asia by means of strength is a main point of their global strategy and design for a new global order.

The U.S. President's refusal to tell whether U.S. nuclear weapons were withdrawn from South Korea or not indicates that the United States still regards the Korean peninsula as more important than any other area in pursuing the cold war policy in the Eastern Hemisphere.

The United States is trying to open a breakthrough on the Korean peninsula for realizing its domination over the Asian-Pacific region, and the means on which it depends for this is strength. This is why the United States is zealously pursuing the NCND policy.

Some time ago, the South Korean person in authority announced that there is not a single nuclear weapon in South Korea. If this is true, there is no reason why the United States cannot reveal its position.

Bush's refusal to mention the withdrawal of U.S. nuclear weapons from South Korea makes the people think that the United States may not withdraw its nuclear weapons from South Korea or, even though withdrawing them, may bring them back into South Korea at any time.

It is the United States which produced nuclear weapons and deployed them in South Korea and is managing them, and it is the United States which has the right to use and withdraw them. Therefore, since the United States, the master of nuclear weapons, is keeping silent, no one can correctly verify whether the nuclear weapons were withdrawn from South Korea or not. This is clear to everyone.

The United States should clearly reveal its position so that the people can understand. The statement of a Foreign Ministry spokesman of our Republic made clear our position and attitude in connection with the withdrawal of U.S. nuclear weapons from South Korea. The statement elucidated essential and reasonable methods for resolving the issue of nuclear inspection and the issue of denuclearization of the Korean peninsula in a fair and correct manner.

The United States must renounce the nuclear hide-and-seek game, false propaganda about our development of nuclear weapons, pressure and war threats to force a unilateral nuclear inspection on our side, and other unjustifiable acts.

It is a wild illusion for the United States to strengthen the cold war confrontation policy in Asia to gain some advantages from this. Such an illusion runs counter to the world trend of advancement toward independence, progress, and peace, and absolutely will be not realized. This will only more nakedly reveal the aggressive nature of the U.S. imperialists and accelerate their resulting bankruptcy.

The United States must discontinue its aggressive and belligerent moves against the Korean people and the Asian people and immediately take its nuclear weapons and aggression forces out of South Korea and other areas of the Asian-Pacific region.

North Says 500 Planes Involved in U.S. Exercise

*SK2612053791 Pyongyang KCNA in English
0451 GMT 26 Dec 91*

[Text] Pyongyang December 26 (KCNA)—The U.S. Pacific Airforce Command Tuesday staged a joint aerial war exercise with the mobilization of fighter planes based in Japan proper and overseas for a surprise strike at targets in the central and in-depth areas of the northern half of Korea in coordination with fighter planes of the U.S. Seventh Airforce and the South Korean puppet airforce, according to military sources.

More than 200 fighter-bombers, observation and assault planes were hurled into it.

The U.S. imperialists let an "E-3A" AWACS [Airborne Warning and Control System] fly over South Korea to command the flying corps involved in the war games and then move to the skies above the area near the Military Demarcation Line [MDL] for aerial photography and electronic espionage on targets in the strategic depths of the northern half of Korea.

The South Korean puppets, at the instigation of the U.S. imperialists, staged war exercises such as day-and-night air strike, parachuting and dropping on December 23 and 24 by letting some 40 armed and transport helicopters fly in the skies above Pochon, Uijongbu and Tongduchon areas.

The war planes involved in the war game on the 24th totaled more than 500.

In another development, 105 mm artillery units of the puppet army which took firing positions near Chungsa-ri, Yonchon County, Kwanu-ri, Cholwon County, and Simjok-ri, Inje County, South Korean Kangwon Province, on December 24 fired some 250 shells in the area adjacent to the Demilitarized Zone along the MDL. And the puppet army positioned near Panjong-ri and Ckokgko-ri, Yonchon County, fired 12.7 mm large-calibre machine guns and M-16 automatic rifles, getting on our nerves.

Envoy to PRC Welcomes U.S. N-Arms Withdrawal

*SK2612072191 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 25 Dec 91*

[Text] A news conference took place on 25 December at the DPRK Embassy in China on the 22 December statement by a DPRK Foreign Ministry spokesman on the issue of turning the Korean peninsula into a nuclear-free zone. Reporters from Chinese newspapers, news agencies, and broadcasting stations and publication and media officials attended the news conference.

(Pae Yong-chae), DPRK charge d'affaires ad interim to China, spoke at the news conference.

Referring to the fact that the South Korean chief executive said on 18 December that not a single nuclear weapon exists in South Korea, (Pae Yong-chae) said if this is true, as the person in authority in South Korea announced, that the U.S. nuclear weapons have been withdrawn from South Korea completely and that U.S. nuclear weapons no longer exist in South Korea, we welcome this, because it means that the consistent, just demand of the government of our republic has been fulfilled at last. He also stressed that this is a great victory of our nation, which has steadfastly struggled to remove the U.S. nuclear weapons from South Korea and to remove the danger of nuclear war.

Recalling that the United States, which has the prerogative of supreme control over all the nuclear weapons in South Korea, has not made any notification or announcement on the withdrawal of its nuclear weapons, (Pae Yong-chae) pointed out that, under circumstances in which the United States, the owner of the nuclear weapons, keeps silent, upon hearing only the words of the South Korean chief executive, who has no right to decide on the nuclear weapons, we cannot know for sure whether the nuclear weapons have been withdrawn. He also said that since it has been announced there are no nuclear weapons in South Korea, we, assuming the United States will announce its clear position, declare that we will sign the nuclear safeguards accord under the

Nuclear Nonproliferation Treaty and receive inspection according to pertinent procedures. He also said that an inspection must be conducted simultaneously in South Korea to verify whether there are U.S. nuclear weapons there, as we have already demanded and as the South Korean side has agreed.

(Pae Yong-chae) also said that if simultaneous inspection is to be done, negotiations between the North and the United States, which deployed the nuclear weapons in South Korea, must take place and that these negotiations must be over pertinent issues and the issue of removing nuclear threats. He stressed that the United States must clearly clarify that there are no nuclear weapons in South Korea and must accept negotiations with us as soon as possible to solve the problems.

Cyprus Signs Communique To Establish Relations

SK2612044291 Pyongyang KCNA in English 0427 GMT 26 Dec 91

[Text] Pyongyang December 26 (KCNA)—The governments of the Democratic People's Republic of Korea and the Republic of Cyprus, out of the desire and good faith to develop friendly and cooperative relations between the two countries, agreed to establish diplomatic relations at ambassadorial level on December 23.

A joint communique on it was signed by Pak Kil-yon, permanent representative and ambassador E.P. of the DPRK to the U.N. and Andreas Mavrommatis, permanent representative and ambassador E.P. of the Republic of Cyprus to the U.N., on behalf of their governments.

Kim Il-song Receives Guinean Ambassador

SK2312152891 Pyongyang KCNA in English 1511 GMT 23 Dec 91

[Text] Pyongyang December 23 (KCNA)—The great leader Presodent Kim Il-song today received Guinean Ambassador to Korea Abou Camara.

Vice-Premier and Foreign Minister Kim Yong-nam was present on the occasion.

The ambassador conveyed a personal letter of Lansana Conte, president of the Republic of Guinea and president of the Transitional Council of National Redressment and head of state, to President Kim Il-song.

President Kim Il-song had a talk with the ambassador.

Worker's Party Greets Spanish Communist Party

SK2412112191 Pyongyang KCNA in English 1017 GMT 24 Dec 91

[Text] Pyongyang December 24 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] sent a message of greetings on December 23 to Julio Anquita on his reelection as general secretary of the Central Committee of the Spanish Communist Party.

The message expressed the belief that the friendly and cooperative relations between the two parties would develop more favorably in conformity with the idea of independence, peace and friendship and wished the Spanish Communist Party and the general secretary new success in their future work to implement the resolutions of the party congress.

Defector Former South Democratic Party Official

SK2612104091 Pyongyang KCNA in English 1008 GMT 26 Dec 91

[Text] Pyongyang December 26 (KCNA)—Son Su-kuk, 30, director of the Taegu Mirae Architectural Designing Office and expert member of financial policy of the Democratic Party in South Korea, and his family (wife Song Hwa-sun and six-year-old daughter Son A-ra), who had come over to the northern half of the country on November 22, were interviewed by home and foreign reporters at the People's Palace of Culture today.

Son's native place is Yongchon County, North Kyongsang Province. He finished the trade course of Sangkyung College of Keimyung University in 1983 and engaged himself in political activities while running the Taegu Mirae architectural designing office and the Kyonghyang restaurant before defecting to the North.

Song Hwa-sun finished the modern dance course of sports college of Keimyung University in 1982 and worked as headmistress of a dance school in Taegu.

At the press conference Son Su-kuk said his political view is that national reunification must be achieved independently by the internal efforts of the Korean nation without any outside interference, the North's proposal to negotiate reduction of the armed forces to 100,000 men is a just proposal greatly conducive to peace in Northeast Asia and the Korean peninsula and it is the only counter proposal which makes it possible to thwart Japan's scheme to become a military power, a nuclear inspection must be made of the South first, not of the North and "the North's demand for a simultaneous inspection is quite reasonable, and its proposal for nonaggression declaration is a most reasonable one, the present "regime" in the South should be branded as a colonial fascist power and the "national security law" and "law on Security Planning Board" must be abolished at once.

Then Son explained the motive and purpose of his defection.

Stating that he had regarded it as his preferential task to struggle for national reunification, he said it was the spiritual and ideological motive.

He said, with the faith that the Korean nation is one and imperishable, he made his way to Pyongyang through a third country for the purpose of bringing his political faith into practice in the North.

From long ago I have sympathized with the North's chuche idea and socialist line and, guided by the faith that President Kim Il-song is the genuine political leader of our nation and Mr. Kim Chong-il, the leader, is the very person who can carry his lofty philosophy into practice, I hoped to devote myself to the great cause of reunification under their guidance and continue my activities here where I can keep my conscience, Son said.

He pointed out that, with the change of power approaching, No Tae-u, Kim Yong-sam, Kim Chong-pil and others are locked in a fierce factional strife over presidential candidacy and that politics in South Korea is money politics.

The "agreement" adopted at the inter-Korean premiers' talks is a historical document which signified a step forward in the North-South relations, he said.

And he earnestly urged the South Korean "regime" to stop its anti-national moves and honestly implement the provisions of the agreement to meet the unanimous will of the 70 million countrymen.

Song Hwa-sun said legitimacy and soul of the nation are alive in the North's art and the dance language is sound, beautiful and graceful. I want to develop the national art together with artistes in the North, she added.

Son Su-kuk said the North is developing everything in the interests of its people even under the complicated international political situation today because it enjoys the outstanding guidance of President Kim Il-song and the leader Mr. Kim Chong-il.

South's Sentencing of Chondaehyop Member 'Outrage'

SK2512073691 Pyongyang KCNA in English 0443 GMT 25 Dec 91

[Text] Pyongyang December 25 (KCNA)—The South Korean authorities at a trial in the Seoul District Criminal Court Monday [23 December] demanded a prison term of 12 years and the same term of suspension of qualifications for student Kim Chong-sik, chairman of the National Council of Student Representatives (Chondaehyop), who fought for independence, democracy and reunification, according to a radio report from Seoul.

They committed this outrage after arresting and persecuting him on charges that he, while working as the fifth-term chairman of Chondaehyop, the vanguard organization of one million students, sent students Song Yong-sung of Konguk University and Pak Song-hui of Kyonghui University as delegates of the organization to the working-level talks in Berlin in summer for a successful holding of the grand reunification festival of students and let them visit the North to debate on reunification with students there.

KPA Political Instructors Meeting Opens 25 Dec

SK2612075791 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 25 Dec 91

[Text] A grand meeting of the Korean People's Army [KPA] company political instructors has opened. The great leader Comrade Kim Il-song attended the meeting and gave a programmatic speech there.

A grand meeting of KPA company political instructors opened on 25 December at the Pyongyang indoor stadium.

The meeting was convened at an emotional time when all the people and People's Army soldiers across the country, filled with revolutionary optimism and confidence, are accelerating the vigorous march for the completion of the socialist cause under the wise leadership of the party and the leader and under the uplifted banner of chuche.

The meeting will review the achievements and experiences in the struggle to strengthen the party's political work in the People's Army companies under our party's chuche-oriented policy of army building and discuss the tasks to consolidate the companies as loyal units and invincible combat units as required by the revolutionary development.

It was attended by KPA company political instructors and commanding officers.

The great leader of our party and people Comrade Kim Il-song's portrait was placed in the front of the meeting hall against the background of the party banner. Such slogans as "Long live the great leader Comrade Kim Il-song!" and "Long live the honorable Workers Party of Korea [WPK]!" were also placed there. The image of Mt. Paektu, which symbolizes our party's honorable revolutionary tradition, that of the KPA's cap badge, and the letters "Meeting of KPA Company Political Instructors" were placed there. Decorations that symbolize the might of our revolutionary armed forces, KPA flags, and the three revolutions red flags were also placed there. Such slogans as "Let us strengthen the KPA companies!", "Let us make all the companies combat units composed of loyalists and dutiful children!", "Let us, all the company political instructors, become eldest kind brothers and sisters!" and the letters "One-a-match-for-100" were placed there.

Amid the playing of the welcome music, the great leader of our party and people Comrade Kim Il-song appeared on the platform of the meeting.

Comrade Kim Chong-il, member of the Presidium of the WPK Central Committee Political Bureau and secretary of the party Central Committee, who is also KPA supreme commander, appeared on the platform of the meeting.

At that moment, a storm of cheers of hurrah and thunderous applause burst forth in the meeting hall.

The meeting hall was filled with the participants' ardent loyalty and joy of having at the same time the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, who have achieved the cause of building the independent army with their creative military ideas and outstanding leadership, who have strengthened and developed our People's Army into an invincible one-a-match-for-100 revolutionary armed forces, and who are always leading them along the single road of victory and honor.

Company political instructors of the KPA's three services presented the great leader Comrade Kim Il-song with a flowers representing the boundless respect and admiration of all the participants in the meeting and all the People's Army officers and men.

The platform was occupied by Comrade O Chin-u, member of the Presidium of the WPK Central Committee Political Bureau, vice chairman of the DPRK Defense Commission, member of the party Central Military Commission, and minister of People's Armed Forces; Comrade Choe Kwang, member of the WPK Central Committee Political Bureau, vice chairman of the DPRK Defense Commission, member of the party Central Military Commission, and chief of the KPA General Staff; KPA Generals Yi Ul-sol, Chu To-il, Kim Kwang-chin, and Kim Pong-yul, members of the WPK Central Committee and members of the DPRK Defense Commission; KPA Generals Chon Mun-sop and Kim Tu-nam and KPA Colonel General Yi Pong-won, members of the WPK Central Committee; commanders of all branches of the armed services, political workers, generals of the KPA, and model company political instructors.

Comrade O Chin-u delivered an opening speech at the meeting. After the opening of the meeting was declared, the national anthem was played.

The great leader Comrade Kim Il-song made a programmatic speech that would serve as a guideline in further strengthening and developing the People's Army into the revolutionary armed forces of chuche.

The great leader Comrade Kim Il-song warmly congratulated the meeting of KPA company political instructors and thanked the company commanders and political instructors who, in hearty response to the party's policy of strengthening the People's Army companies, lived among the soldiers and energetically organized combat and political training, thus greatly contributing to accelerating the remolding of the whole army on the pattern of the chuche idea.

The great leader Comrade Kim Il-song announced that Comrade Kim Chong-il had been elected KPA supreme commander at the 19th plenary meeting of the Sixth WPK Central Committee and expressed the hope that the entire army would be faithful to the leadership of comrade supreme commander.

The great leader Comrade Kim Il-song said that strengthening the companies, the basic combat units of the People's Army, is very important and that the company political instructors must give priority to political and ideological education among the soldiers; ensure unity between the officers and men, between the army and the people, between the party members and the members of the League of Socialist Working Youth; and strengthen military training, thereby firmly building up our People's Army into a revolutionary army, the army of the party, and the army of the people.

All the participants in the meeting were filled with a strong resolve to thoroughly implement the great leader Comrade Kim Il-song's programmatic tasks, thus strengthening all the KPA companies into chuche-type combat units boundlessly loyal to our party, and to strengthen the revolutionary armed forces' might by all means, thus reliably defending the socialist cause with force.

The great leader Comrade Kim Il-song, with party and state leading cadres, posed for a photograph with the participants in the meeting.

The meeting continues.

Seminar Marks Kim Il-song Publication Anniversary

SK2512110791 Pyongyang KCNA in English 1027 GMT 25 Dec 91

[Text] Pyongyang December 25 (KCNA)—A seminar was held at the Grand People's Study House here today to mark the 20th anniversary of the publication of "*On the Thorough Implementation of the Principles of Socialist Education*," a classic work of the great leader President Kim Il-song (December 27, 1971).

In the work, President Kim Il-song expounded on a scientific and theoretical basis the purpose and content of education in socialist society, the principles of socialist pedagogy, the matters arising in bringing up the rising generation to be true communists by implementing them and the tasks and ways facing the educational workers.

The speakers said the work gave a scientific exposition of the matters of principle in education on the basis of the basic principles of socialist pedagogy, further developed and enriched the theory of socialist and communist education and indicated the most correct way of bringing up the students to be communist revolutionaries boundlessly faithful to the cause of socialism.

They stressed that the work is a classic work which expounded in a comprehensive and profound way the principles of socialist pedagogy for the training of communist revolutionaries and a highly important work which clearly indicated the way to be maintained by the educational workers in training the youth and children as revolutionaries faithful to the cause of socialism and communism.

They noted that the validity and vitality of the ideologies and theories set out in the work are given full play through educational practice in Korea.

They emphasized that all the educational workers should continue to creditably fulfil the tasks advanced in the work under the leadership of the party so as to achieve a greater success in education.

The seminar was attended by Choe Tae-pok, alternate member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, officials concerned and university teachers and researchers in Pyongyang.

KCNA Reviews 25 Dec Pyongyang Press

*SK2512102691 Pyongyang KCNA in English
0417 GMT 25 Dec 91*

[Press review]

[Text] Pyongyang December 25 (KCNA)—NODONG SINMUN today gives prominence to a communique on the 19th plenary meeting of the Sixth Central Committee [C.C.] of the Workers' Party of Korea [WPK] held in the presence of the great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea.

The plenary meeting discussed results of the fifth inter-Korean high-level talks and future tasks to promote the independent and peaceful reunification of the country and dealt with the organizational matter.

The paper spotlights the report that Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central committee of the Workers' Party of Korea, was elected supreme commander of the Korean People's Army [KPA] at the meeting.

An article of the paper says that the dear leader Comrade Kim Chong-il has led all the political workers of the KPA with his meticulous care to fulfil their duties.

Printed in the press are reports that the Council of Huacho National University of Peru decided to award honorary doctorate to President Kim Il-song and Comrade Kim Chong-il and a meeting to convey diplomas of the honorary doctorate and silver medals was held at the Colon theatre in Huacho city.

President Kim Il-song received reply messages from foreign state leaders, says NODONG SINMUN.

Appearing in the paper is a message of greetings sent by the C.C., WPK to Julio Anquita upon his reelection as general secretary of the C.C., the Spanish Communist Party.

Appearing there is a message of greetings sent by Ambroise Edouard Noumazalaye, general secretary of the Central Committee of the Congolese Party of Labour, to the C.C., WPK in congratulation of the DPRK's admission to the United Nations.

According to NODONG SINMUN, a meeting was held to mark the 40th anniversary of the founding of the railway publishing house.

Conveyed in the press are voices at home and abroad supporting the adoption of the agreement between the North and the South of Korea.

Dailies inform the readers that American lawmakers sent a letter to Bush urging the withdrawal of nuclear weapons from South Korea and figures of political parties, public organizations, anti-nuke and peace organizations in the United States met in New York and stated that if Korea is to be reunified, the U.S. troops and its nuclear weapons must withdraw from South Korea.

NODONG SINMUN comes out with an article dealing with precious achievements this year in the struggle for peace and peaceful reunification of the country.

The paper comments on the declaration of U.S. President Bush that the "security commitments" to the Asian region would be reaffirmed and the U.S. Armed Forces would not be withdrawn from the region.

International news columns of the press include reports that the president of the State of Palestine paid an official visit to China, the general secretary of the Central Committee of the Communist Party of Vietnam declared that Vietnam would keep to the road of socialism, the Lebanese prime minister criticized Israel and a summit of the South Asian Association for Regional Cooperation was held in Sri Lanka.

NODONG SINMUN introduces the improvement of the living standard of the Chinese minorities and economic success in India and Malaysia.

An article of the paper says that the U.S. "new world order" doctrine is a reactionary world domination doctrine for the establishment of a monopolistic supremacy over human society.

KCNA Reviews 26 Dec Pyongyang Press

*SK2612045991 Pyongyang KCNA in English
0435 GMT 26 Dec 91*

[Press review]

[Text] Pyongyang December 26 (KCNA)—Papers here today give frontpage prominence to a photo-accompanied report that a grand meeting of company political instructors of the Korean People's Army opened in the presence of the great leader President Kim Il-song.

According to NODONG SINMUN, leading news agencies, radios and newspapers of the world gave wide publicity to the report that Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, was elected supreme commander of the Korean People's Army.

Conveyed in the daily is what Korean people of various strata said after hearing the news that the dear leader Comrade Kim Chong-il was elected supreme commander of the Korean People's Army.

The paper conveys an account of a lecture on "On Establishing the Chuche Outlook on the Revolution", a work of Comrade Kim Chong-il, given in India.

Papers dedicate articles to the 65th anniversary of the formation of the Anti-Japanese Women's Association, a new communist women's organisation in Korea, in Fusong by Kang Pan-sok, an indomitable revolutionary fighter.

Papers report that a joint communique on the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Republic of Cyprus was published in New York.

NODONG SINMUN runs articles on the brilliant victory in socialist cultural construction this year.

The leader of the Great September First Revolution of the Great Socialist People's Libyan Arab Jamahiriyah met a DPRK Government economic delegation and the general secretary of the Independent Liberal Party of Nicaragua met the DPRK ambassador to his country, says the press.

Papers inform the readers that Korean lifters carried off five gold and 12 silver and other medals at the 23rd Asian weightlifting championships.

Papers carry an announcement of the spokesman for our side's delegation to the inter-Korean high-level talks on the decision to send delegates to the contact between delegates to negotiate the nuclear problem.

NODONG SINMUN conveys voices at home and abroad hailing the agreement adopted between the North and the South of Korea and an article on the active efforts of the compatriots in the North, the South and overseas for national unity and reunification this year.

The daily comes out with a commentary denouncing the South Korean authorities for demanding a 12 years' prison term for student Kim Chong-sik, former chairman of Chondaehyop [National Council of University Student Representatives].

International news columns of the press include reports that Comrade Fidel Castro spoke at the congress of National Education, Scientific and Sports Workers Union, the 14th congress of the Communist Party of Greece and the 13th congress of the Spanish Communist Party were held, a Palestine delegation paid an official visit to Vietnam, the Indian prime minister referred to the establishment of a collective economic security system and the Bangladesh prime minister called for a sound development of national culture.

An article of the paper says that worldwide attention to the Korean problem has grown still further and international support and solidarity for the Korean people's cause of reunification has been strengthened this year.

South Korea

Negotiations With North Linked to N-Program

SK2512060791 Seoul KBS-1 Radio Network in Korean 0500 GMT 25 Dec 91

[Text] The government is reported to have developed a strategy of phased negotiations with the North designed to implement the basic South-North agreement and curb North Korea's nuclear development. This strategy is based on the government's policy of promoting dialogue between the South and North on a par with North Korea's nuclear issue.

A government official said that the government has decided to link North Korea's nuclear issue to the implementation of the agreement, for the agreement, even if it is exchanged and made effective at the sixth round of the South-North high-level talks, will take considerable time to become completely effective, as it stipulates that the two sides should form a political subcommittee within one month and a liaison office at Panmunjom within three months.

Saying that North Korea's nuclear reprocessing facilities under construction in Yongbyon are likely to be completed next May, the official said that the government's basic stance is that the issue of North Korea's nuclear program should be completely resolved before the end of the first half of 1992 at the latest.

Team Spirit Linked To Progress in Nuclear Talks

SK2612124291 Seoul YONHAP in English 1231 GMT 26 Dec 91

[Text] Seoul, Dec. 26 (YONHAP)—The South Korean Government will stage the annual joint Korea-U.S. Team Spirit military exercise next year if the on-going inter-Korean working-level conference on nuclear issues fails to produce an acceptable accord, a high-ranking Defense Ministry official here said Thursday.

Talking with journalists after the first-round nuclear meeting ended at the truce village of Panmunjom, the defense official admitted that North Korea has shown "forward-looking" attitudes by embracing some South Korean demands in its newly drafted joint declaration on denuclearization.

He said he, however, got an impression that the North was trying to use the nuclear issue ultimately as a bargaining chip in its negotiation with the United States.

"Under the current circumstances, North Korea's nuclear development, Team Spirit exercise and exchange of ratifications of the South-North agreement on basic relations are closely interconnected.

"We have no choice but to conduct as scheduled the Team Spirit exercise if the North continues refusing to give definite timetables for its signing of the nuclear safeguards accord and its acceptance of international nuclear inspection or simultaneous inspection of nuclear facilities in the South and the North," he said.

Pyongyang Agrees To Proposal on Denuclearization

SK2612095591 Seoul YONHAP in English 0823 GMT 26 Dec 91

[Text] Seoul, Dec. 26 (YONHAP)—North Korea agreed Thursday in a draft proposal on denuclearizing the Korean peninsula to scrap its nuclear reprocessing and enrichment facilities.

In talks with South Korea at the border village of Panmunjom, the North said it had already notified the International Atomic Energy Agency [IAEA] of the date it would sign a safeguards accord and that it planned to ratify and implement the accord "in the near future."

The North said it was making the proposals in the first working-level talks on inter-Korean nuclear negotiations because it believed President No Tae-u's declaration that there were no longer any nuclear weapons in South Korea.

This apparently means North Korea no longer demands official notification from the United States of the complete withdrawal of nuclear weapons from the South, southern spokesman Yi Tong-pok said after the border meeting.

The South and North Korean officials will meet again Saturday morning from 10 A.M. at Panmunjom.

The North Korean draft has seven instead of nine articles, and the new name and contents suggest denuclearization rather than nuclear-free-zone.

It leaves out its original demands prohibiting passage, landing and call of aircraft and warships with nuclear weapons, and lifting of nuclear umbrella over the Korean peninsula.

Article No. 3 demands that South and North Korea not own nuclear reprocessing or enrichment facilities, and Article No. 6 proposes the two sides establish a "Joint Committee for Nuclear Control" soon after issuing a declaration on denuclearizing Korea to discuss specific measures on carrying out the terms of the declaration.

"We highly rate the parts on abandonment of reprocessing and enrichment facilities," Yi said in a press briefing after a two and a half hour meeting at Panmunjom.

But the proposal excludes parts on simultaneous pilot inspection and insists in Article 4 that the two sides "jointly verify the total and complete withdrawal of U.S. nuclear weapons and the removal of nuclear bases in the South of the Korean peninsula."

South Korea proposed at the fifth inter-Korean prime ministers' talks two weeks ago that Seoul and Pyongyang open any civilian and military installations designated by the other side to simultaneous inspection.

"There was much debate on this article, but North Koreans said they are willing to readjust their proposals through negotiations," Yi said.

The draft demands that the two sides not conduct any war exercise simulating nuclear war, apparently aimed at stopping annual South Korea-U.S. military maneuver Team Spirit.

"A decision to halt or continue the Team Spirit is entirely ours. But the decision is linked with North Korea's intention to abandon reprocessing and enrichment facilities and its signing of the nuclear safeguards accord with the IAEA," spokesman Yi said.

North Koreans said they have already notified the IAEA the date they will sign the nuclear safeguards accord but did not reveal the date to South Korean representatives, Yi said.

They said they will ratify and implement the accord soon after signing it, Yi said.

Seoul demanded that North Korea sign, ratify and implement the nuclear safeguards accord at the latest by Jan. 15 next year, but Pyongyang said the signing is a matter strictly between it and the IAEA and that South Korea and any other nation cannot press the deadline.

"Seoul is sticking to the Jan. 15 deadline," Yi said.

Seoul also demanded that its proposal for simultaneous pilot inspection is separate from North Korea's obligatory inspection by IAEA as a member of the Nuclear Non-Proliferation Treaty (NPT).

"Seoul is sticking by this as well. We will not consider simultaneous inspection in connection with the IAEA," Yi said.

"We made it very clear to the North that in order to create adequate condition in implementing the inter-Korean agreement on reconciliation, nonaggression and exchanges and cooperation, South and North Korea must first solve this nuclear problem," Yi said, implying that fulfilling the agreement is linked with the progress in nuclear negotiations.

Opens Talks With IAEA

SK2612085991 Seoul TONG-A ILBO in Korean 26 Dec 91 p 2

[By Yi Nak-yon from Tokyo]

[Text] In an interview with Japan's YOMIURI SHIMBUN appearing in the 26 December edition, Ho Chong, North Korean ambassador to the United Nations, revealed that a North Korean official has started negotiations with an official of the International Atomic Energy Agency [IAEA] on the assumption that North Korea will sign a nuclear safeguards accord.

Ambassador Ho said: North Korea's position on the nuclear safeguards accord is that even though it expects the United States to declare that there are no nuclear weapons in the ROK, such a declaration is not a precondition for North Korea to sign the accord.

He also said that North Korea will sign the nuclear safeguards accord at an early date, regardless of such a declaration by the United States.

Ambassador Ho said that if something similar to what happened at the September IAEA Board of Director's meeting, when a resolution was adopted to urge North Korea to accept the nuclear inspection, is repeated, "this issue will be ruined [i munjenun pasandoelgot]." He warned against international pressure like that from the United Nations, and hinted that North Korea may separate the issues of signing the nuclear safeguards accord and accepting nuclear inspections.

Prime Minister Chairs Meeting on N-S Talks

SK2512023991 Seoul THE KOREA TIMES in English 25 Dec 91 p 1

[Text] Five delegates each from South and North Korea will sit together at the truce village of Panmunjom tomorrow to deal with the problem of North Korea's nuclear development program.

The government is ready to apply further pressure on North Korea to sign the nuclear safeguards agreement with the International Atomic Energy Agency (IAEA) before late next month during the Panmunjom contacts.

Prime Minister Chong Won-sik called an inter-ministry meeting at a government house in Samchong-tong yesterday to prepare for the working-level meeting at the truce village.

The business talks on the nuclear issue come two weeks after the South and the North concluded an inter-Korean accord on reconciliation, nonaggression and exchanges and cooperation at the fifth round of premiers' talks in Seoul.

The contents of the inter-ministry meeting was not immediately made known. But a senior government official said that the Southern delegates will renew their call on the North to sign the nuclear safeguards accord with the IAEA and open its nuclear facilities to inspection by the agency at the earliest possible date.

"If the North refuses to sign the safeguards agreement before the sixth round of premiers' talks slated for Feb. 19-22, an early ratifying and implementing of the inter-Korean agreement on reconciliation and nonaggression might be difficult," said the government official, who is handling the nuclear issue.

He predicted that, above all, the South Korean government's plan to complete domestic procedures to effectuate the agreement will face strong objections from the opposition and the people if it fails to receive any commitment from North Korea to sign the nuclear safeguards accord very soon.

A three-day extra session of the National Assembly is expected to be convened on Jan. 6 to deliberate and act on the agreement on basic inter-Korean relations and hear U.S. President George Bush's speech.

Namelist, Agenda Provided for 26 Dec N-S Contact

SK2512034191 Seoul YONHAP in English 0259 GMT 25 Dec 91

[Text] Seoul, Dec. 25 (YONHAP)—South and North Korea will hold a working-level contact at the truce village of Panmunjom on Thursday [26 December] to resolve the nuclear issue, which is widely believed to be the final obstacle to their reconciliation.

The focus of attention is expected to be harmonizing the two draft declarations for denuclearization of the Korean peninsula tabled at the fifth round of inter-Korean high-level talks in Seoul Dec. 11-13.

In the high-level talks, attended by the prime ministers of both sides, South and North Korea produced an agreement on reconciliation, non-aggression, exchange and cooperation, but they postponed settlement of the nuclear issue.

On Thursday, South Korea will express a willingness to cancel the annual "Team Spirit" military exercise with the United States scheduled for the coming spring if North Korea promises to sign a nuclear safeguards agreement with the International Atomic Energy Agency (IAEA) and accept outside inspection of its nuclear facilities in the near future.

North Korea's nuclear capability has become an international concern, but Pyongyang refuses to sign the accord with the IAEA or accept inspection, instead demanding negotiations with Washington on nuclear issues pertaining to the Korean peninsula.

The contact will be attended by, on the South Korean side, Yim Tong-won, dean of the Institute of Foreign Affairs and National Security, Yi Tong-pok, special adviser to the prime minister, Kim Chae-sup, a presidential secretary for diplomacy and national security, Pan Ki-mun, director-general of the Foreign Ministry's American Affairs Bureau, and Pak Yong-ok, a senior armament control officer at the Defense Ministry.

The five North Korean delegates will include roving ambassador Choe U-chin and Kim Yong-chol, deputy director at the Ministry of People's Armed Forces.

South Korean cabinet ministers, in a meeting presided over by Prime Minister Chong Won-sik, on Tuesday [24 December] afternoon discussed the position on nuclear issues to be conveyed to North Korea in the contact.

While positively recognizing the North Korean Foreign Ministry's Dec. 22 statement, in which Pyongyang exhibited the will to sign the IAEA accord and allow outside inspection, the participants decided to demand the scrapping of nuclear reprocessing and enrichment facilities at an early date.

The call for negotiations with the United States on nuclear issues, it was agreed, required that the North be reminded of Seoul's position that all issues relating to the Korean peninsula should be settled by South and North Korea, not others.

A South Korean Government official said that the North might present a timetable for signing the IAEA accord and international inspection at Thursday's contact.

No Tae-u on Succession of Power in North

SK2612084491 Seoul YONHAP in English 0818 GMT 26 Dec 91

[Text] Seoul, Dec. 26 (YONHAP)—South Korea is taking steps to cope with North Korea's preparations to transfer power from septuagenarian leader Kim Il-song to his son, Kim Chong-il, President No Tae-u said Thursday.

The transfer would not take place while he was in office, No told reporters over lunch. His five-year term expires in early 1993.

The North's official KOREAN CENTRAL NEWS AGENCY reported Wednesday that the junior Kim had been named supreme commander of the Army. He already occupied senior positions on the Workers' (Communist) Party Presidium and the Central Committee.

No said North Korea would change eventually and would answer to international calls to fulfill its obligations as a member of the Nuclear Non-Proliferation Treaty.

Asked about the political calendar, the chief executive said it would be decided in due course early next year based on public opinion.

"When will it be desirable to put up a ruling party presidential candidate—before or after the general elections?" a reporter asked.

No said he could not tell.

It was not worth commenting on the reported move of executive chairman Kim Yong-sam's faction in the ruling party to secede if Kim was not soon made presidential candidate, he said.

"A few politicians may have such a view, but it is not worth commenting as long as I understand that they don't have such intentions," No said.

He did not rule out the possibility that his relatives might enter politics.

"I promised the people that I would exclude my relatives from public posts, and I stood by it. But the 14th-term National Assembly will have no relationship with me. If capable people are barred from contributing to the nation because they are related to me, it will be a crime," the president said.

Commenting on recent reports that his June 29, 1987, declaration, which gained him wide popularity by setting the stage to settle crucial political issues, was authored by President Chon Tu-hwan and not by him, No said: "after a big achievement, people usually claim to have done a part. The story appeared in newspapers and magazines two to three years ago."

As for Hyundai Group owner Chong Chu-yong's reported move to form his own political party, No said that for all his age and experience the tycoon should find out what the people think about his idea.

North Sends Wreath to Trade Office in Beijing

SK2412004591 Seoul KBS-1 Television Network in Korean 1200 GMT 23 Dec 91

[Text] According to the Korea Traders Association [KTA], the North Korean side sent a wreath to the opening ceremony of the KTA branch office in Beijing held on 18 December. The wreath was in the name of the Federation of Korean Commercialists and Industrialists in China.

Gold Imports From North Suspended Since Nov

SK2412014991 Seoul THE KOREA HERALD in English 24 Dec 91 p 6

[Text] Imports of North Korean gold have been suspended since November, an industry source said yesterday.

Gold imports from the North by such business concerns as Lucky- Goldstar International Corp. and Samsung Co. amounted to $17.35 million for 1,532kg in the first 10 months of the year.

Since the first delivery of 110kg of North Korean gold in March this year, imports rose to 152kg in August and then peaked at 688kg in September before declining to 12kg in October. It came to a halt last month.

The suspension is mainly due to problems involving Chinese or Hong Kong agents which have arranged gold trade between the South and the North.

Imports of North Korean gold, which carry no customs duties because imports from the North are treated as internal trade, account for 35.6 percent of Seoul's gold imports which totaled 4,300kg at the end of November, the industry source said.

Gold from other countries carries a 5-percent customs duty and a 10-percent value-added tax.

Beijing Seeks Participation in Five-Year Plan

SK2412130991 Seoul YONHAP in English
1111 GMT 24 Dec 91

[Text] Seoul, Dec. 24 (OANA-YONHAP)—China asked for South Korean participation in its eighth five-year economic development plan that started this year, officials here said Tuesday.

Xie Jianqun, vice chairman of China Chamber of International Commerce, made the request while here last week to initial a trade agreement with South Korea in meetings with Foreign Ministry and business officials, they said.

The officials did not specify the details on what the Chinese side requested.

Chinese Foreign Minister Qian Qichen stressed the importance of economic cooperation with South Korea in number of his speeches after he returned from attending the Asia-Pacific Economic Cooperation (APEC) conference in Seoul last month, according to the officials.

Qian met with his South Korean counterpart Yi Sang-ok and President No Tae-u during the APEC conference.

Seoul and Beijing lack diplomatic relations but have been inching closer to establishing one, beginning with exchange of trade representatives earlier this year.

The two countries initialed a trade agreement last Friday abolishing China's 5-30 percent tariffs on South Korean products. The agreement will be signed and put into effect sometime in January.

Xie, who headed the Chinese delegation to the trade agreement negotiations, met with Hyundai Group founder Chong Chu-yong and other ranking business leaders and discussed South Korean companies' entry into the Chinese market and possible joint ventures, one official said.

Xie expressed plans to open Seoul branches of Chinese companies next year, he said.

China Said To Discriminate Against ROK Ships

SK2412065291 Seoul YONHAP in English
0250 GMT 24 Dec 91

[Text] Seoul, Dec. 24 (YONHAP)—China discriminates against Korean-owned vessels calling at its ports, but Chinese-owned vessels are treated equally in South Korean ports, according to shipping sources.

Chinese port authorities impose port charges and stevedoring fees on Korean ships that are two or three times higher than the charges imposed on Chinese ships. Ships owned by Korean-Chinese joint ventures, including Koheung Shipping, Weidong Shipping and Sinokor Co., also suffer discrimination.

China also makes Korean ships wait up to 30 days in port after they are unloaded and all the expenses of the delay must be borne by the Korean shipowner.

Korean shipping firms have difficulty collecting cargo in China, but Chinese shipping firms are allowed to collect cargo freely through agents in Korea, the sources said.

China treats ships of the United States and Japan equally even though they have no joint-venture shipping companies with China, and they are allowed to collect cargoes freely and do in-land transportation in China.

The sources said such unequal practices should be corrected at an early date and a maritime agreement between the two countries was badly needed.

Cabinet Meeting Stresses Elections, Economy

SK2612054291 Seoul YONHAP in English
0455 GMT 26 Dec 91

[Text] Seoul, Dec. 26 (YONHAP)—The government will give top priority to fair elections and economic recovery in 1992, it was decided in an inter-ministerial meeting Thursday presided over by President No Tae-u.

Also set as major priorities are renovation and restoration of discipline in officialdom, settlement of peace on the Korean peninsula, promotion of South-North Korean exchange and cooperation, and fulfilment of No's promises to the people made while campaigning for his successful presidency.

Prime Minister Chong Won-sik, all cabinet ministers and senior presidential secretaries attended the meeting.

They all agreed to strengthen the "cut 10 percent drive" that is being promoted in officialdom to reduce spending, and to put new teeth into the "new order, new life" campaign to enhance frugality and morality among the general public.

They decided to meet more frequently with No to discuss the economic situation and policy implementation so that he can make good on his promises.

They predicted the economic situation will worsen next year, with the international balance of payments remaining in the red and inflation persisting amid rising market-opening pressure and regionalism.

Participants agreed to positively deal with the rapid changes in the international order, including the collapse of the Soviet Union and the better atmosphere for bringing peace to the Korean peninsula.

They highly evaluated their efforts to stabilize real estate prices and create industrial peace this year, but noted that public uneasiness about crime still prevails and jitters are mounting about economic problems and the future of farming.

No Tae-u Policies Blamed for Economic Woes

SK2412011591 Seoul THE KOREA TIMES in English 24 Dec 91 p 8

["News in Review" column by Deputy Economic Editor Pak Chang-sok: "ROK Economy Mired in '3 Highs, 4 Shortages'"]

[Text] "One-two-three economy" is a nickname recently fastened upon Korea's economy sinking ever deeper into the abyss. "One" means a single-digit figure of economic growth. "Two" indicates a double-digit inflation rate and "three" signifies a triple-digit trade deficit. "Tiger" or "dragon," a proud nickname given to Korea, is an old story. By most accounts, the Korean economy is racing toward a catastrophe, which could undermine the national foundation.

Korea is now mired in the so-called "three highs, four shortages,"—all factors that could deal a devastating blow to its economy. "Three highs" are high wages, high interest rates, and high exchange rates between Korean won and foreign currencies. Shortages are in manpower-,funds, technology, and social infrastructures for cargo handling. These are the structural problems which can never be easily solved through the injection of a shot in the arm because they are the products of the government's long economic policy fiasco.

Now, there is no single area, in which analysts could make a bright prediction. Soaring prices, stunted exports, growing deficits in the balance of international payments, stock market doldrums...There are a lot of economic woes facing the country.

Both state-run and privately-run economic think tanks seem to have little confidence in making a forecast on next year's economy because of expected political and social unrest. The Korea Development Institute (KDI) predicted that real economic growth would slow to 7.5 percent, consumer price would rise 9.8 percent and the current account deficit would reach 9.4 billion U.S. dollars. The Bank of Korea has unusually presented two scenarios—one in the best case and the other in the worst case. The central bank's predictions are in general almost the same as those of the KDI although there is a difference in marginal percentage points.

There are several factors to gauge the economic performance of a country, so to speak, gross national product (GNP), inflation, and current account balance. In terms of growth, Korea is similar to that of its Asian rival countries. The Organization for Economic Cooperation and Development (OECD) forecast that average real growth in six dynamic Asian economies (DAEs)—Korea, the Republic of China (ROC), Hong Kong, Singapore, Thailand, and Malaysia—seemed set to remain in 7 to 8 percent range this year. By the way, the quality of growth is bad since it has been led by a buoyant domestic demand, not by exports. Korea is not at all competitive with its rival countries in terms of the balance in international payments.

Korea is the sole country among the four newly industrializing countries (NICs), which has suffered a rising current deficit. Korea's concern is basically different from that of three other NICs. Namely, Korea's goal lies in how to reduce its trade deficits. The goal of Hong Kong, Singapore, and the ROC lies in how to increase surpluses. Korea's current account deficit is estimated to top 9.4 billion dollars this year. But the ROC is expected to chalk up a surplus of 11 billion dollars, while the surpluses of Hong Kong and Singapore are estimated to reach 1.5 and 1 billion dollars respectively.

No doubt, the current economic hardship was caused by the lack of consistency in the execution of the No Tae-u administration's policies focusing on currying favor with the people. The consistency could not be actually maintained in view of frequent Cabinet shakeups President No has whimsically conducted largely in consideration of political gains for his fragile leadership.

During the past four years since he took office on Feb..25, 1988, No changed four economic planning ministers, four finance ministers and as many as six trade-industry ministers in frequent Cabinet reshuffles. This means the replacement of major economic ministers on an average interval of less than a year.

Particularly to blame for continuing economic failure is the staffing of politicians in major economic posts. For example, three out of four deputy premier-economic planning ministers, appointed by President No, are all lawmakers including current economic planning minister Choe Kak-kyu. The first deputy premier No Ung-pae focused on the fair distribution of wealth and the second Cho Sun put top priority on price stabilization, which was immediately replaced by Yi Sung-yun's "growth first" policy. The incumbent top economic policy. The incumbent top economic policy planner Choe says that his policy aims at achieving growth amid stability. In this view, the retention of economic planning minister and finance minister in the latest Cabinet shuffle is worthy of being applauded.

In light of hitherto experiences, No needs to do three things in order to bail out the ailing economy. One is the discard of policies aiming at gaining popularity and the other is severing ties with the political interest groups in formulating economic policies. A last thing truly needed is to frankly admit the economic failure and seek the bonafide cooperation of the people.

DLP To Seek Special Assembly Session Mid-Jan

SK2512102191 Seoul YONHAP in English 0412 GMT 25 Dec 91

[Text] Seoul, Dec. 25 (YONHAP)—The ruling Democratic Liberal Party (DLP) has decided to call a special sitting of the National Assembly in the middle of next month.

The DLP had decided to hold a week-long session to handle four bills on agriculture and fishing that were not dealt with in the regular session, which ended this month, a party spokesman said.

The four are revisions to the special measures law for the development of farm and fishing towns, the livestock industry law and the law on distribution and price stability of agro-fisheries products, and a bill on fostering the agro-fisheries processing industry.

"There is an urgent need for these bills with settlement of the Uruguay Round trade negotiations to enhance the competitive power of Korea's farming and fishing communities," a DLP policy-maker said.

The DLP would soon begin negotiations with the Democratic Party on scheduling a special session, he said.

The DLP was considering holding it right after the Assembly is addressed by Japanese Prime Minister Kiichi Miyazawa, who is due in Seoul on Jan. 16, he said.

The ruling party also planned to adopt a resolution of support for the Inter-Korean Agreement on Reconciliation, Non-Aggression, Exchanges and Cooperation during the sitting, he said.

Finance Ministry Issues New Tariff Quota List

SK2612024291 Seoul YONHAP in English 0158 GMT 26 Dec 91

[Text] Seoul, Dec. 26 (YONHAP)—The Finance Ministry Thursday issued a tariff quota list of 62 items for 1992, adding frozen pollack, whey powder and 10 other products and dropping ethylene and 15 others.

Forty-nine items, including crude oil, cement, cotton yarn, are unchanged.

Tariffs may change, mostly downward, on each quota for items on the list, which takes effect Jan. 1 subject to cabinet review.

The list was slimmed down to redress the trade balance and only items considered contributive to inflation controls and balanced taxation were kept, according to the Ministry.

Basic tariffs were trimmed from 20 percent to 10 percent for 8,000 tons of whey powder for calves, and from 10 percent to 5 percent for some frozen mackerel, hairtail and pollack.

One-percent rates were extended for crude oil, gasoline, bunker-c oil and cement. A steep 90-percent rate stays for bananas to control the tremendous influx since the market opened at the beginning of this year.

The ministry suspended tariff quotas for kerosene, steel reinforcements, ethylene, propylene and 12 others in excess.

EC Grants Preferences to South Korean Products

SK2412084091 Seoul YONHAP in English 0730 GMT 24 Dec 91

[Text] Seoul, Dec. 24 (YONHAP)—The European Commission has decided to grant GSP (generalized system of preferences) favors to South Korean products from Jan. 1, the Korea Foreign Trade Association said Tuesday.

The EC will grant duty-free status to Korean products if they have bank payment guarantees, according to the association.

Korea requested that the EC suspend tariffs before the European Parliament completes the legal process of extending GSP favors. Parliament is expected to pass the bill on GSP favors in a session slated for Jan. 13-17.

Livestock Cooperative Heads Reject GATT Draft

SK2512112091 Seoul THE KOREA TIMES in English 25 Dec 91 p 8

[Text] Chiefs of primary livestock cooperatives yesterday flatly turned down the final draft on world's agricultural trade reform submitted by Arthur Dunkel, director general of the general agreement on tariffs and trade (GATT), last Friday.

In a joint statement, they said they can not accept the tariffication without exception on key farm products including rice and beef and minimum market access of foreigners in those markets.

The final draft on the five-year-old Urugay Round of multilateral farm trade talks stipulates that all form products be subject to tariffs instead of import bans and that foreigners be allowed access to 3-5 percent of the domestic market for farm products currently under import ban at current tariffs.

The livestock leaders said it is the unilateral pressure of advanced farming countries on developing countries which have never restructured their fragile agriculture industry. "Advanced countries have already completed agricultural restructuring with huge budgetary supports unlike developing countries like Korea."

They said the draft should allow more items to get government subsidies in their farming and livestock industries. "Sufficient grace period should be given to our livestock and farming industries so that they may be upgraded to an advanced level through budgetary support and restructuring."

In this connection, the livestock representatives urged the government to make its will clear to protect and foster the livestock industry as the nation's key industry.

The government was also urged to halt the indiscriminate livestock product import policy, presenting long-term vision of self-sufficiency in each livestock item.

They also demanded that the government invest massively in improving the distribution system of livestock products.

Fourth, they called for legislation to stabilize livestock product prices so that livestock farmers my raise animals without severe price fluctuations.

Government To Increase R&D Personnel, Education

SK2312083591 Seoul YONHAP in English
0731 GMT 23 Dec 91

[Text] Seoul, Dec. 23 (YONHAP)—The South Korean Government plans to increase the number of people involved in research and development from 70,000 to 112,000 by 1996, and encourage private businesses to foster science and technology manpower, the Science and Technology Ministry said Monday.

In addition, the government plans to expand the annual enrollment quota of the Korea Advanced Institute of Technology (KAIST) to 1,000 candidates each for bachelor's, master's and doctor's degrees under its manpower policy plan for the Seventh Five-Year Social and Economic Development Plan (1992-96), a Ministry spokesman said.

The government will open master's and doctor's courses at KAIST's Seoul branch to employees of industry in March 1992 and open a KAIST branch in Kwangju in 1995 to train manpower for the 21st Century.

KAIST's Seoul branch will recruit 300 students for master's and doctor's degrees and the Kwangju branch will initially recruit 90 students for master's courses.

To cope with the rapid changes in technology, the government will support post-doctorate studies in advanced nations for people under 40, invite more foreign brains and support private "technology universities."

By 1996, the enrollment quotas for science and engineering departments of universities and colleges will be raised by 16,000 entrants to 96,000 a year and those for junior technical colleges will be increased by 36,000 to 96,000, the ministry said.

Ministry Announces Rice Production Statistics

SK2412081291 Seoul YONHAP in English
0209 GMT 24 Dec 91

[Text] Seoul, Dec. 24 (YONHAP)—South Korea produced 37.39 million sok (5.38 million tons) of rice this year, down 4 percent from 1990, the Agriculture, Forestry and Fisheries Ministry said Tuesday. The total includes 28,000 sok from dry paddies.

Of rice from water paddies, the harvest of ordinary varieties rose 5.3 percent to 35.7 million sok due to an increase in planting of 55,000 hectares or 5 percent.

The harvest of tongil species dropped to one third (1.66 million sok) as the government announced it would buy only 1.5 million sok and froze the price of the grain. Planting of tongil rice dropped 90,000 hectares, or 64.9 percent, as a result.

Production dropped by 5 kilograms to 446 kilograms per 4 hectares—ordinary varieties increased 2 kilograms and tongil rice fell 26 kilograms per 4 hectares.

Tongil rice was more damaged by the rain and Typhoon Gladys than ordinary varieties, which grow later, and by the cold spell in September, the ministry said.

Rice growers in the central area, including Kyonggi, Kangwon and North Chungchong Provinces, had bumper crops compared with last year while farmers in southern areas saw production decline.

Burma

Khin Nyunt Views Current Political Situation

BK2512064391 Rangoon Burma Television Network in Burmese 1330 GMT 24 Dec 91

[Speech delivered by Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], at a meeting held at the Conference Hall of the Defense Ministry with leaders from various ministries, departments, and organizations at 0900 on 24 December—recorded]

[Excerpts] I wish all directors general, managing directors, heads of departmental organizations, from various ministries, departments, organizations, and other invited guests, happiness in mind and body that is free from anxiety and delusion. This is the second such meeting with all the departmental leaders. The first meeting with departmental leaders was on 4 October when matters relating to public services personnel were discussed. This meeting is held to explain the true conditions of the current political situation in the country for better understanding.

First, I will roughly explain the true political situation in the country and in the second part papers, documents, and photographs will be displayed as evidence for further inspection and then photocopies of some documents will be distributed to departmental leaders. The prevailing political situation in the country had already been explained many times by the country's leaders. [passage omitted] The departmental leaders must relay the knowledge of the present political situation to all levels and try to gather the driving force needed to work for the better future of the country. Some explanations given may be known to you, but there are some that you do not know, and some that you think you understand but you do not. I believe that delusions will disappear and you must be aware that the present period is a martial law period. [passage omitted]

Some politicians, who did not understand the good intentions and the activities of the Armed Forces, began to use confrontation methods in the pre-election period. They began confronting the Armed Forces thinking that it will make them popular [preceding word rendered in English]. [passage omitted]

At that time, there was no political stability, why? Regarding this question, although the Armed Forces tried to control and stabilize the political situation, in reality because of the number of political parties involved in the political arena it was hard to achieve. Political instability was caused by the lack of understanding on the part of the politicians, who wanted state power, regarding how to execute the political activities that were necessary for the country. They demanded the elections. No one ever gave a deep thought of what should be done, and what needed to be done after the elections. The worst thing was the confrontation with the Armed Forces which had enormous responsibilities. These ideas depended on the background and in the mind of persons. That is why I will explain the brief histories of some political figures in the present political arena.

The problems change due to activities of some persons. Thus, to find the solution to existing problems, I will shed some light on the activities of some persons so that people who do not know will come to realize the truth. I will continue to present matters relating to Daw Suu Kyi. [passage omitted] Daw Suu Kyi failed to report the birth of her two sons to the Burmese Embassy, nor did she apply to register their births. These two children are not eligible for Burmese citizenship, in accordance with section 5-A of the 1948 Union of Burma Citizenship Act and Chapter 2 of the 1982 Burma Citizenship Law. In accordance with the British Immigration Act of 1971, these two children are eligible for registration as British subjects and are considered British citizens. Daw Suu Kyi, during her stay in England to pursue her studies, never reported to the Burmese Embassy in London and stayed on her own. She contacted the embassy through the post and telephone only when she needed some help regarding her passport. [passage omitted]

In accordance with 1981 British Citizenship Law, any person residing in Britain for more than three years can apply for a naturalized British citizenship certificate, and Daw Suu Kyi who, after marrying Michael Aris resided in England from 1975 to 1988, is eligible for all these privileges. Clearly speaking, she is enjoying these privileges. She is in breach of Section 10-E of the Elections Law because she is eligible to enjoy these privileges. This Section was not introduced only now, it was copied directly from Section 74-A of the 1947 Constitution and the wordings were inserted by General Aung San [Daw Suu Kyi's Father and National Independence Hero] himself. [passage omitted] Her inability to stand for elections is clear. Daw Suu Kyi, who is not interested in the Burmese political situation and the Burmese people, was nursing her ailing mother in 1988. She seized the opportunity to become a leader, which was the work of the BCP [Burma Communist Party], and so it was clear that Daw Suu Kyi became a leader who accepted her leadership subconsciously. Her contacts with the insurgents and her acceptance of the insurgents in her compound are in breach of the law. If all the facts are put together, Daw Suu Kyi's true condition can be clearly seen. [passage omitted]

After Daw Suu Kyi was put under house arrest in accordance with Section 10-B, we arranged and provided for all her and her family's social, religious, and health needs. [passage omitted] In July 1990, responsible personnel delivered the letters and presents to Daw Suu Kyi sent by her husband, Michael Aris, through the British Embassy. But, Daw Suu Kyi refused to take the letters and presents. Michael Aris, who is a Briton and Daw Suu Kyi's husband, told the whole world that he had had no contacts with his wife since 17 July 1990. We are not responsible for Suu Kyi who does not correspond with her husband. We have no restraints. They are not corresponding for their own reasons. The refusal to accept and to write letters is none of our concern; it is their personal affair.

While Daw Suu Kyi was detained under Section 10-B there were many external supports and interferences. Reports from external broadcasting stations like the BBC, VOA, and AIR, and some foreign news magazines, pushed Daw Suu Kyi into becoming a great Democratic Hero. Just 11 months after her detention, Daw Suu Kyi was awarded an honorary degree by Oxford University. The European Parliament awarded the 1990 Sakharov prize to Daw Suu Kyi, and the BBC in its nightly news of 24 January 1991 stated that Daw Suu Kyi was given the award for her leading role in the democratic struggle in Burma. That was not all, Daw Suu Kyi was also awarded the 1990 Rafto prize—Rafto and International Human Rights [preceeding five words rendered in English] award. This was given by the Thoref Rafto Memorial Human Rights Organization [name rendered in English] based in Norway. And finally, the Nobel Peace Prize was awarded by the Norway Nobel Award Committee. If you study all these, it will be according to this Burmese proverb: Those who look will see. You will see how some big countries, without realizing whether it is fitting or not, are rendering support to the character of their choice. Some foreign organizations are not only boosting the morale of the terrorist insurgents, but they are also giving material assistance. There is evidence of Daw Suu Kyi's contacts with the insurgents. The National League for Democracy [NLD], on the basis of this evidence, passed the resolution removing Daw Suu Kyi from the NLD at its Central Executive Committee meeting held on 11 December 1991. Her removal from the party does not concern us at all. It is the party's internal affair.

If you had listened to my explanations and studied the documents presented as evidence, the Armed Forces will never accept Daw Suu Kyi, who accused the Armed Forces of being a fascist army and rudely treats the relationship with the Armed Forces as hostile. That is why our concept is clear cut. She can return to her family. If she returns peacefully, she will be allowed to do so. The SLORC government and the Armed Forces, for the good of the country, race, and religion, will never accept Daw Suu Kyi. This is solely an internal affair. This internal affair is also a personal affair. When the affairs of the country and personal affairs coincide, we must give preference to the country's affairs. That is why, any interference regarding Daw Suu Kyi will be considered to be bullying our country, threatening our country. We will not heed anybody's threat. On behalf of the country the Armed Forces government will ensure a non-disintegration of the union, a non-disintegration of national solidarity, and a perpetuity of national sovereignty. [passage omitted]

I will continue to explain about some political parties. After the 27 May 1990 multiparty democratic general elections, there were demands both for the release of Daw Suu Kyi and for activities in support of the NLD. The demands were contained in the activities of political parties, discussions at their meetings, and in their publications. Some senior members from the NLD tried to organize the small parties that had lost in the elections. The NLD in order to achieve their wishes, if the SLORC decided to meet with all the political parties, began organizing the smaller parties in anticipation. Apart from political parties, some foreign embassies, foreign newspapers and magazines, foreign broadcasting stations tried to pressure the SLORC to hand over power to the NLD. The reason for the formation of a political party is to partake in the elections. That was why the SLORC issued Declaration No. 1/90 and paved the way for the political parties to follow. The Slorc Declaration No. 1/90 was issued on 27 July 1990. The Gandhi Declaration emerged from the NLD's meeting held in the Gandhi Memorial Hall on 28-29 July. Was not this in opposition to SLORC's Declaration No. 1/90? Another nefarious step was the Bo Aung Gyaw Road Declaration of August 1990. In this declaration the clause which contained a call for the speedy hand over of power had been added. So, I would like to stress that these were declared in opposition to our 1/90. [passage omitted]

It is necessary to choose the right political path. The political path had already been paved for by the SLORC Declaration No. 1/90. Since there is evident need to draw a strong constitution, we have frequently warned political parties to follow Declaration No. 1/90 step by step. I would like to say again that if you do not follow the right political path you will definitely fall into a crevasse. I think it is time to take a lesson from the catastrophic situation that has arisen in a certain part of the world—internal instability, civil war, deaths of innocent people. It is important that you understand the concept of the SLORC, and I would finally like to urge the need for the political parties to walk the right path. [passage omitted]

I would like to explain Burma's drug suppresion activities. In order to effectively perform drug suppression activities Burma promugated the Narcotic Drugs Law in 1974 and formed the Central Narcotics Drugs Control Committee. From that time onwards, drug suppression activities were carried out relentlessly by the Armed Forces, the People's Police Force, and other responsible organizations, and there have been annual reports of success. During the 15-year period from 1974 to 1988, the assistance received from the United States for drug suppression activites amounted to over US$ 86 million. I am presenting the truth. The United States cut its annual drug suppression aid after the 1988 disturbances and when the SLORC took over the reigns of power. Meanwhile, there were allegations that Burma was not carrying out drug suppression activities and Burma had become the highest producer of opium. These allegations were made by some responsible U.S. officials and articles in foreign newspapers, journals, and magazines.

The drug suppression activities of Burma can be seen with a comparison of figures from 1974 to 17 September 1988, the day before SLORC took over power. The following drugs were confiscated by the Armed Forces, People's Police Force, and the Customs Department during that period—41,869.22 kilograms of opium, 1,239.55 kilograms of raw opium, 699.15 kilograms of heroin, 70,469.59 kilograms of marijuana. During the more than three year period from 18 September 1988, the day SLORC took over power, to 30 November 1991, the amount of drugs seizures by various organizations were—4,280.716 kilograms of opium, 19.945 kilograms of raw opium, 702.479 kilograms of heroin, 22,308.211 kilograms of marijuana, 8,711.185 liters of Phensedyl [opiated cough syrup], 492.8 gallons of chemical liquids. Apart from that, because of the success in organizing ethnic nationals at the border regions, and with the cooperation received from them, many poppy fields were destroyed. Thus, from 18 September 1988 to 30 November 1991, 2,157.74 acres of poppy plantations were destroyed in the Lawkaing area of the Kokang region, the Mongko region, and the Mong La region of the Eastern Shan State. The figures clearly show how much Burma has achieved in its fight against narcotic drugs. [passage omitted] If you want to know the complete facts about the beginning of the opium trade in Burma read the book—*History of Narcotics in Southeast Asia* [name rendered in English], and another book written by Dr. Robert Taylor—*KMT [Kuo Min Tang] Intervention in Burma* [name of author and book rendered in English]. By these facts, you will know the culprit responsible for the drug trade. I can definitely say that our Burmese Government and the Burmese people are not the first ones to cultivate and manufacture poppies. At this stage, instead of accusing one another, they should cooperate and join Burma's efforts to suppress narcotic drugs, if they really want to get rid of narcotic drugs I would like to say that Burma will extend its cooperation if there is an offer of genuine cooperation from the other side, and this will make efforts in narcotic drugs suppression activities more effective.

Next, I will explain the allegations against human rights abuses in Burma. Beside the narcotic drugs allegation, there are also others allegations levelled against Burma, especially that of human rights abuse. The Amnesty International, based in London, Britain, and the Human Rights Watch, based in New York, United States [names rendered in English], have been condemning, demanding, and urging some matters worldwide, and are interfering in the internal affairs of many countries. Although they say their objectives are to bring human rights abuses to light, their actual behavior amounts to interference in the respective countries. [passage omitted]. Burma, where Buddhism and Budhist culture has been practiced in the country since time immemorial, freedom without any rules and regulations can in no way be given. Only the present nationals, those who were born in Burma, will know that Burmese society is being influenced by Burmese culture and tradition. In Burma, freedom of publication, freedom of travel, freedom of study, and freedom of religion is practiced in accordance with various religions, cultures, laws, rules, and regulations. [passage omitted]

Recently, some broadcasting stations from the western countries and magazines have been increasingly spreading agitation and propaganda. Beginning from 1 February 1991, the day of the Nobel nomination, to the announcement of the Nobel winners on 14 October 1991 and the Nobel awards ceremony in Oslo, Norway, on 10 December 1991, the VOA and the BBC were continuously broadcasting news to mislead the Burmese people. In this way they not only openly interfered in Burma's infernal affairs but also tended to create unrest in order to disturb the peace and tranquility, and the rule of law. [passage omitted]. Some foreign countries do not have good impressions about Burma and they are using the black propaganda tactics by spreading fabricated rumors against Burma to the extent of degrading the country's leaders. [passage omitted]

The teachers and public service personnel from the education department are partly responsible for the recent disturbances at Rangoon University. They were deficient in their ability to persuade the students not to follow those unscrupulous people who incite unrest and not to spread the demonstrations; they were also deficient in their defense of the students from outside dangers. Although the teachers had drawn up plans to avert disturbances, they never acted. The majority of students want to pursue their studies in a peaceful manner. Instead of letting a small group of students create unrest with the result of closing the universities, teachers and educational department personnel should find practical means, draw up a plan, and prevent the dangers of these few unscrupulous students. And I urge better cooperation with the government. The reopening of the universities and colleges depends on the collective cooperation as well as the wishes and guarantees of the teachers, students, and parents. But, the government will deal with all problems according to law. [passage omitted]

It is not sufficient for responsible personnel here to know about this political situation. You must explain these matters to the grass-roots levels so that they will be able to see the truth and to think right. [passage omitted] The SLORC and the Armed Forces will firmly do its part to achieve its goal, in accordance with its wish, concept, and policy. I strongly urge all public service personnel to cooperate and I will have no hesitation in releasing those who do not wish to cooperate. No preference will be given to a small group or a single person, preference will be given to the National Cause, and all efforts will be made to ensure the perpetuity of national sovereignty.

Departmental leaders, who are clear of delusions and with good intentions towards the state, are urged to follow the SLORC—the Armed Forces government's administration and leadership—with openness and sincerity. With this I conclude my speech. Thank you all.

Insurgent Surrenders Noted, 'Warmly Received'

1-7 Nov

BK2212093591 Rangoon Radio Burma in Burmese 1330 GMT 21 Dec 91

[Text] People belonging to various insurgent organizations who have come to realize their wrongdoing have been giving up their armed struggle and surrendering at different Army camps with arms and ammunition. Accordingly, the following surrenders took place between 1-7 November 1991:

Southeast Military Command: Private Aik Soe from the terrorist insurgents KNU [Karen National Union] central headquarters surrendered at Bilin Garrison. Pvt. Maung Me alias Nar Dwe of the 10th Battalion surrendered at Tavoy Garrison. Pvt. Kyaw Myint from the ABSDF [All Burma Students' Democratic Front] terrorist insurgents' 101st Battalion surrendered at Kawthaung Garrison. Platoon Commander Saw Thein, Sergeants Win Aung, Thet Naing, and Thet Naing U alias That Tin, and Pvt. Nyan Lwin alias Nhyit Say from the 209th Battalion surrendered at Myawaddy Garrison. Pvt. Oh Tun from the Burma Communist Party [BCP] terrorist insurgents' Tenasserim military region surrenderd at Mergui Garrison.

Northern Military Command: Pvt. Tun Khin from the KIA [Kachin Independence Army] terrorist insurgents' 253rd Battalion, surrendered together with one M-22 automatic rifle at Narhpaw Garrison.

Eastern Military Command: Pvt. Tun Myint from a BCP splinter group surrendered at Mobye Garrison. Pvts. Sai Han, Sai Nauk, and Sai Lane from the SUA [Shan United Army] terrorist insurgents' 63d Battalion surrenderd together with one M-22 automatic rifle at Mong Hkam Garrison. Pvts. Aik Kyauk and U Karla from the 1st Battalion surrendered together with two M-22 automatic rifles at Mong Hsat Garrison.

Altogether 16 terrorist insurgents after realizing the truth and giving up the armed struggle surrendered between 1-7 November. They were warmly received and welcomed by the responsible officials of the garrisons concerned.

8-15 Nov

BK2312101191 Rangoon Radio Burma in Burmese 1330 GMT 22 Dec 91

[Text] Members of various insurgent organizations who have come to realize their wrongdoing have been giving up their armed struggle and surrendering at different Army camps with arms and ammunition. The following surrenders took place between 8 and 15 November.

Southern Command: Private Kan Myint from the 2d Company of the 2d Battalion of the KNU [Karen National Union] terrorist-insurgents surrendered with two AK-47 assault rifles at Thanbo Kyauukyi garrison.

Northern Command: Pvts. Maung Nay alias Maung Lay and Maung Mae from the 254th Battalion of the KIA [Kachin Independence Army] terrorist-insurgent organization susurrendered at Mohnyin Garrison and Pvt. Madut Aung from the 5th Battalion surrendered at Myitkyina Garrison.

Southeast Command: Pvt. Thein Lwin from the Central Timber Board of the KNU terrorist-insurgent organization surrendered with one RPG [rocket propelled grenade], one RPG projectile, one M-79 launcher and 12 M-79 projectiles at Mergui Garrison, and Pvt. Kyi Han also surrendered at Mergui Garrison.

Northeast Command: Pvt. Ngatu from the 3d Battalion of the KIA terrorist-insurgent organization surrendered at Kutkai Garrison.

Northwest Command: Pvts. Sei Kwe alias Maung Maung Lay from the 1st Battalion of the KIA terrorist-insurgent organization surrendered at Sinthe Garrison.

Eastern Command: Pvts. Kyaw Htu and his wife, Ma Nan Thay, Than Swe, and Than Lwin from the SNPLO [expansion unknown] "Red" Pa-o insurgent organization surrendered with two M-22 assault rifles and one M-21 assault rifle at Hopong Garrison.

Pvts. Sai Maung Sein and Sai Tun Sein of the 61st Battalion of the SUA [Shan United Army] terrorist-organization surrendered with one revolver at Mong Nyin Garrison.

It has been learned that 14 insurgent-terrorists who have realized their wrongdoing have surrendered between 1 and 15 November and were warmly welcomed by authorities concerned at the garrisons where they surrendered.

19-29 Nov

BK2412102691 Rangoon Burma Television Network in Burmese 1330 GMT 23 Dec 91

[Text] People belonging to various insurgent organizations who have come to realize their wrongdoing have been giving up their armed struggle and surrendering at different Army camps with arms and ammunition. Accordingly, the following surrenders took place between 19 and 29 November 1991:

Southeast Military Command: Privates Lay Paing and Ohn Win from the ABSDF [All Burma Students' Democratic Front] terrorist insurgents' 201st Battalion surrendered at Mergui Garrison. Pvt. Soe Moe Naing from the 206th Battalion gave himself up at the Moulmein reception center. Sergeant Maung Maung Tun from the 101st Battalion surendered together with one AK-47 assault rifle and one communication set at Ye Garrison. Pvt. Po Wai alias Zar Chi from the KNU [Karen National Union] terrorist insurgent group surrendered together with one M-16 automatic rifle at Mergui Garrison. Pvt Phar Wai Law from the 1st Brigade gave himself up at Kyaikto Garrison. Pvt. Zaw Min from the

Burma Communist Party [BCP] terrorist insurgents' Tenasserim military region surrendered at Mergui Garrison. Pvt. Tun Yin alias A½ Hpee from the ALP [Arakan Liberation Party] terrorist insurgent organization surrendered together with three M-16 automatic rifles, one set of binoculars, and one communication set at Mergui Garrison.

Northern Military Command: Pvt. Zaw Htone from the KIA [Kachin Independence Army] terrorist insurgents' headquarters surrendered at Myitkyina Garrison.

Southern Military Command: Pvt. Win Nwe from the BCP's 308th Battalion surrendered at Swa Garrison.

Western Military Command: Pvt. Harpi Hinba from the ARIF [Arakan Rohingya Islamic Front] terrorist insurgents surrendered with one single-shot gun at Maundaw Garrison.

Eastern Military Command: Pvts. Nan Win, Par Lein, and Sai Wunta from the SUA [Shan United Army] terrorist insurgent organization surrendered together with one (Uro) rifle and one M-21 automatic rifle at Mong Hsat Garrison. Pvt Sai Tun from the 47th Battalion surrendered together with one M-22 automatic rifle at Mong Pan Garrison. Pvt. Nichol Lakum from the KNPP [Karenni National Progressive Party] terrorist insurgent organization gave himself up at Loikaw Garrison. Pvts. Pantat and Pyinnya from the SURA [Shan United Revolutionary Army] terrorist insurgents' 117th Battalion surrendered at Mong Nai Garrison.

Altogether 18 terrorist insurgents surrendered between 19 and 29 November. Thus, a total of 48 terrorist insurgents surrendered between 1 and 29 November after realizing the truth and giving up the armed struggle. They were warmly received and welcomed by the responsible officials of the garrisons concerned.

Burnei, Malaysia & Singapore

Malaysia

Minister 'Confident' 1992 Economy To Grow

BK2312111391 Kuala Lumpur BERNAMA in English 1048 GMT 23 Dec 91

[Text] Kuala Lumpur, Dec 23 (OANA-BERNAMA)—Finance Minister Anwar Ibrahim is confident that the Malaysian economy would grow by 8.5 percent next year despite comments that such a level may not be attained. He said here Monday that it would be realistic to expect such a growth rate.

However, he explained that the rate is only for next year but not over the longer term. The country's expected gross domestic product growth for this year is 8.6 percent.

According to the Sixth Malaysia Plan, the government has forecast an average annual [growth] of 7.5 percent over the next five years.

Anwar also said that the 1992 budget's strategy is to ensure sustainable growth with price stability, strengthen the balance of payments, instill greater prudence and strengthen national economic resilience.

Government To Counter Distorted Logging Reports

BK2412091691 Kuala Lumpur BERNAMA in English 0743 GMT 24 Dec 91

[Text] Kuala Lumpur, Dec 24 (OANA-BERNAMA)—Malaysia will engage foreign researchers next year to undertake an international study to counter the distorted reports on the country's logging activities.

Primary Industries Minister Dr. Lim Keng Yaik said Tuesday the study to be conducted over the next few years at a cost of between M [Malaysian] $5 million (about U.S. $1.85 million) and M $10 million (about U.S. $3.7 million) would focus on the socio-environmental aspect of the timber industry with special reference to the East Malaysian Sarawak state.

It would highlight the comparative levels of pollution by the various timber producing and consuming tropical and temperate countries, he told reporters in Kuching, the capital of Sarawak.

Dr. Lim said the move was part of a long-term effort to fight the biased reports by the foreign media on the matter.

The study would be undertaken jointly by the Malaysian Timber Industry Development Council (MTIDC) and the Sarawak Timber Industry Development Corporation (STIDC).

Dr. Lim said the study would give special reference to Sarawak as it had become the butt of the campaign by the non-governmental anti-logging environmental activists who he said had become more militant lately.

In other words, we hope to tell the world, especially the anti-logging and so-called environmental activists that they had all this while received a muddled picture of the culprits of pollution and had been barking up the wrong tree, he said. [sentence as received]

Recent Intrusions by Armed Thai Officials Noted

BK2612090091 Kuala Lumpur Voice of Malaysia in English 0800 GMT 26 Dec 91

[Text] The Perlis State Government has officially reported to the National Security Council about the intrusion in Padang Besar by armed Thai (?personnel) said to be involved in anti-smuggling operations. Chief Minister Dr. Abdul Hamid Pawanteh said this month alone there were four intrusions. In the latest incident on Monday, a Thai anti-smuggling team [words indistinct] belonging to Malaysian traders.

He told a news conference that it was up to the Federal Government and the National Security Council to take further action. Dr. Abdul Hamid, who is also the Security Committee chairman of the northern Malaysian state, said that so far the Thai side had not contacted the state government regarding the matter.

Recognition of New Soviet Republics 'Inevitable'

BK2112140191 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 21 Dec 91

[Text] The question of Malaysia recognizing the newly independent states of the collapsed Soviet Union is inevitable. Foreign Minister Datuk Abdullah Ahmad Badawi says it is only a matter of time before the decision is made. Malaysia is monitoring the situation very closely. The country cannot ignore the existence of these new states particularly Russia, but it cannot rush into giving them recognition [word indistinct]. Malaysia wants to make sure that things settle down and the situation becomes more predictable.

He said this to reporters after opening the annual interfaculty matriculation [words indistinct] at the University Malaya in Kuala Lumpur. The foreign minister hinted that Malaysia might give the recognition individually to the independent states, rather than to the Commonwealth of Independent States as a whole. In September, Malaysia accorded recognition to the Baltic states of Lithuania, Latvia, and Estonia, which gained independence from the then Soviet Union. Datuk Abdullah said Wisma Putra [Foreign Affairs Ministry] was getting regular reports from the Malaysian Embassy in Moscow, apart from feedback from the Soviet Embassy in Kuala Lumpur on the latest development.

He says he will bring up the matter of recognition of independent states to the cabinet for a decision to be made. He added that it was also inevitable that Malaysia would be be dealing with the new states like Russia and Ukraine, especially when Malaysia had promised to give the Soviet Union credit facilities for the purchase of palm oil. Although technically the provision of credit facilities has ceased after the Soviet Union no longer exists, Malaysia certainly prefers to talk with the new states if they want to buy the palm oil and discuss the terms of payment.

On the appointment of Paul Keating as Australia's new prime minister, he said Malaysia was hopeful of maintaining good ties with the country. He said bilateral relations had returned to normal after former Prime Minister Bob Hawke declared his government's stand to distance itself from adverse Australian media reports on Malaysia.

Cambodia

Khieu Samphan on Obstacles to SNC Performance

BK2612074891 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 25 Dec 91

["Statement by His Excellency [H.E.] Khieu Samphan, member of the Cambodian Supreme National Council [SNC] and president of the Party of Democratic Kampuchea, identifying those who destroy the SNC and the accord on a settlement of the Cambodian problem;" dated 25 December—read by announcer]

[Text] I. People still remember the incident or action that created an obstacle to the performance of the Supreme National Council [SNC] in Phnom Penh in accordance with the Paris 23 October accord on Cambodia.

II. 1. The 27 November 1991 attack on the residence in Phnom Penh where I and His Excellancy [H.E.] Son Sen, SNC members, lived—causing bodily harm to myself and H.E. Son Sen—was a major event destroying the SNC and the Paris accord on Cambodia;

2. The second major event was the anti-corruption mass demonstrations staged in Phnom Penh between 17 and 22 December 1991 and later as well as the bloody crackdown causing death and injury to a number of the demonstrators. This was the second major event standing in the way of the SNC's performance in Phnom Penh;

3. Along with the two major events, there have been hints of accusations against the PDK as well.

III. In this situation, the Party of Democratic Kampuchea [PDK] is fully entitled to issue the following statement to establish the reality of the incidents for the attention of the national and international opinions:

1. The attack on the residence in Phnom Penh where I and H.E. Son Sen, SNC members, lived on 27 November 1991 was a cruelty committed by only 30-40 people. The people and officials in Phnom Penh, including those who witnessed the incident with their own eyes and those who heard of the event later, expressed their indignation everywhere throughout the city, in their homes, at markets, and in various offices. Yet, some foreign milieus have not only attempted to distort the reality but have also deliberately gossiped that the PDK has been the cause of this or that action and the Phnom Penh residents' anger, bringing about the 27 November 1991 incident. This unfounded accusation is aimed at stirring up confusion among the national and international opinions and turning white to black, right into wrong, good into bad, and those who are striving to surmount all manner of difficulties and obstacles to implement the accord into those who are opposing the accord's implementation;

2. On the widespread demonstrations between 17 and 22 December 1991 and so on, the same foreign milieus have strived to cover their activities in provoking and directing the demonstrations to attack myself and H.E. Son Sen when I and H.E. Son Sen were to return to Phnom Penh for the second time on 21 December 1991. Anyway, have the repeated propagandas distorting the truth about the 27 November 1991 attack on the Phnom Penh residence where I and H.E. Son Sen stayed and the repetitive propaganda hurling accusations against the Khmer Rouge not generated the provocation of the premeditated demonstrations that have broke out since 17 December 1991?

It is true that those who invented and triggered the demonstrations aimed to attack the so-called Khmer Rouge. But the reality was that the masses in Phnom Penh as well as the Cambodian people all over the country were furious at the 13-year occupation of Cambodia by the Vietnamese aggressors, the plundering of the people's and the nation's property for 13 years, the countless devastation caused by the 13-year Vietnamese war of aggression, and so on. By all accounts, those who planned the demonstrations against the so-called Khmer Rouge were instead out of control of the situation, unable to direct the mass demonstrations. And when the demonstrations spread out and became larger and larger and were out of control, bloody suppressions were applied, causing death and injury to a number of demonstrators. People were aware of the incidents through radio, television, and foreign newspapers. They were also aware that the mass demonstrations and unrest spread out from Phnom Penh to some provincial cities.

As the situation has not developed according to the design of those who incited the demonstration, hints and propaganda have been launched from left and right to deliberately find fault with the PDK, fomenting confusion among the national and international opinions and turning white into black, right into wrong, good into bad, those who are displaying all-out efforts to implement the accord into those who are opposing the accord's implementation, and those who are objecting to and sabotaging the accord into those who are safeguarding the accord;

3. Are these incidents ordinary or having a political aim? Who were behind the incidents? Are they Cambodians or foreigners?

There has been a foreign alliance behind the incidents. Before the achievement of, during negotiations on, and after reaching the peace accord on Cambodia in Paris on 23 October 1991, there was a foreign alliance conducting activities to oppose and destroy the accord. The foreign alliance has opposed the establishment of the SNC which groups the representatives from the four Cambodian parties. It has employed all available maneuvers and tactics to press for a settlement of the Cambodian problem by only two parties without the control over the withdrawal of Vietnamese forces from Cambodia. These activities constitute an opposition to the existence of the SNC—whose chairman is Cambodian Head of State Samdech Norodom Sihanouk and members are the representatives from the four Cambodian parties—and objection to an agreement for ending the Vietnamese war of aggression against Cambodia.

Nevertheless, the Cambodian nation, the Cambodian national resistance forces, the entire Cambodian people in and outside the country, Samdech Norodom Sihanouk, the ASEAN states, the United Nations, and other peace-and justice-loving countries the world over want a solution to the Cambodian problem, the withdrawal of all aggressor forces from Cambodia, the SNC chaired by Head of Stae Samdech Norodom Sihanouk, and the representatives of the four Cambodian parties to join forces with the United Nations to assume the control task.

After many years of countless negotiations and activities conducted both in the country and the international arena, a peace accord on Cambodia was signed in Paris on 23 October 1991. And even after the achievement of the Cambodian peace accord, the same foreign alliance has continued its antagonistic activities and Vietnam is still able to hide its invading forces in Cambodia—in various provinces and in Phnom Penh—because no supervision and controls have been put into effect yet. On various battlefields, the forces continue to attack the Cambodian national resistance forces.

In mid-November 1991, Samdech Norodom Sihanouk, head of state and SNC chairman, already returned to Phnom Penh. The SNC members from the other two resistance forces also arrived. The plenipotentiary SNC was to meet on 27 November. However, the SNC was destroyed because of the 27 November premeditated attack on my residence and myself and H.E. Son Sen in Phnom Penh. On 21 December, the plenipotentiary SNC was prepared to meet. Yet, the SNC was again sabotaged.

As for the UN Transitional Authority in Cambodia [UNTAC], it has not yet been dispatched to the country. Before the conclusion of the accord, it could be said that the UNTAC was not able to come due to the lack of a comprehensive agreement. However, after the conclusion of the 23 October global accord, it has been further argued with endless excuses that the UNTAC still cannot come. The UN Advance Mission in Cambodia [UNAMIC] has only an extremely insignificant number of staff and has neither the right nor the means for its duties save the fact-finding task. The UNAMIC forces have been strengthened and deployed only along the western border of Cambodia, simply in order to keep an eye on the Cambodian national resistance forces. Yet they have not yet focused efforts on uncovering and monitoring the Vietnamese forces in Cambodia. So are these moves haphazard? Or are they premeditated to allow the foreign alliance to have the opportunity to conduct destructive activities at will against the SNC, hindering the supreme council from operating at its headquarters in Phnom Penh, thereby sabotaging the Cambodian peace accord?

IV. The PDK's stance, as well as the stance of Samdech Norodom Sihanouk—head of state and SNC chairman—the Cambodian people in and outside the country, and the peace- and justice-loving countries all over the world is:

1. To have the SNC, chaired by Head of State Samdech Norodom Sihanouk, headquartered and operating in Phnom Penh as clearly stipulated by the Paris 23 October 1991 accord on Cambodia. If the SNC is not able to meet in Phnom Penh, the PDK proposes that the SNC meet in other places on the Cambodian territory. The PDK has already proposed the city of Pailin as the venue. Now it wishes to again present the proposal and pledges to provide 100 percent security to all the SNC members and the representatives of various countries that need to participate;

2. To have the UNTAC dispatched to Cambodia immediately. At the first SNC meeting in Phatthaya [Thailand], the PDK requested the dispatch of the first UN contingent composed of 700 personnel, then the second, the third, and the fourth, and so on, to Cambodia until the UNTAC has sufficient civilian and military staff. And at the SNC meeting in Beijing and the second SNC meeting in Phatthaya, the PDK again raised the proposal. In the wake of the Phnom Penh 27 November 1991 incident, the PDK, at the third round of the SNC meeting in Phatthaya on 3 December, also proposed that 1,000 UN personnel be sent to Cambodia in mid-December 1991. It also requested that 800 members of the UN staff be deployed in Phnom Penh, while the remaining 200 be stationed in a number of provinces. The aim of the proposal is to get the SNC and the UNTAC working together to fully implement the accord and verify its implementation.

The Paris 23 October 1991 accord clearly specifies that the two organs, namely the SNC—chaired by Head of State Samdech Norodom Sihanouk—and the UNTAC, have key roles and should work together to fully execute the Paris accord and verify its implementation. Significantly, they should verify the complete withdrawal of foreign forces from Cambodia. Everyone clearly realizes that it is necessary to dispatch a UN peacekeeping force to Cambodia, especially to Phnom Penh at an earlier date. Some observers' opinions question the issue of security for the UN peacekeeping force. In this situation, we, the PDK, wish to raise this question: Who is duty-bound to ensure security for the UN peacekeeping force? And with this question, it is obvious that neither any Cambodian party nor the Vietnamese aggressors are responsible for and capable of ensuring security for the UN peacekeeping force, since the Vietnamese aggressors have provoked and waged a war of aggression against Cambodia and have destroyed peace in Cambodia. Presently, Vietnamese forces still remain in Cambodia, including in Phnom Penh and various provinces.

Who attacked the house in Phnom Penh where H.E. Son Sen, SNC members from the PDK, and I lived on 27 November 1991? Vietnamese hidden in Phnom Penh were the leading forces and cat's paws. Which forces suppressed the anti-corruption mass demonstrations between 17 and 22 December 1991 and later, causing deaths and injuries for a number of demonstrators? Vietnamese elements secretly planted in Phnom Penh were the leading and cold-blooded forces cracking down on the demonstrators. For the SNC, as SNC Chairman Samdech Norodom Sihanouk has said, has no power or resources in the least. That being the case, the SNC and the UNTAC are required to work together, and only with joint operations can the Paris 23 October 1991 accord be implemented. As such, raising the issue of UNTAC security is like putting the cart before the ox. So the UNTAC should not wait until security is restored to come. Only with the UNTAC joining the SNC headed by Samdech Norodom Sihanouk in Phnom Penh can security be guaranteed.

The SNC is already in existence, but it is still not able to operate, since the foreign alliance has carried out all kinds of activities to prevent its PDK members from taking part in the meeting. Therefore, it is imperative to urgently send the UNTAC to Phnom Penh to join the SNC. Only by working together can the SNC and the UNTAC:

1. Verify the complete withdrawal of foreign forces from Cambodia;

2. Guarantee the effective implementation of a cease-fire and ensure security in Phnom Penh;

3. Verify the 100 percent dismantlement of the four Cambodian parties' Armed Forces in conformity with the clear-sighted proposal of Samdech Norodom Sihanouk, head of state and SNC chairman; and

4. Organize and supervise free and just elections effectively.

In light of the abovementioned reasons, I would like to call on H.E. UN secretary general, the five permanent members of the UN Security Council [UNSC], Their Excellencies cochairmen of the Paris International Conference on Cambodia, all the country members of the UNSC, all the country members of the Paris International Conference on Cambodia, and all the peace- and justice-loving countries the world over, to help motivate the dispatch of the UNTAC with civilian and military personnel to Cambodia at an earlier date.
[Dated] 25 December 1991.
[Signed] Khieu Samphan, member of the SNC and president of the PDK.

Sihanouk Convenes SNC Secretariat Meeting

BK2512072991 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 24 Dec 91

[Text] On the morning of 24 December, Samdech Norodom Sihanouk, head of state and chairman of the Supreme National Council [SNC], convened a meeting of the SNC Secretariat which was also attended by representatives of the five major powers.

At the meeting, the samdech informed the participants of several important issues, including the following:

1. The samdech said that he had a telephone conversation with His Excellency [H.E.] Khieu Samphan and that Their Excellencies Khieu Samphan and Son Sen would soon come to Phnom Penh.

The samdech said that the SNC should meet on 30 December 1991. But Mr. Hun Sen said that he needed five more days for the Phnom Penh regime's National Assembly to draft a law on demonstration.

The samdech added that should there be any abuse on Their Excellencies Khieu Samphan and Son Sen when they come to Phnom Penh, the Phnom Penh side must be held responsible. Should the two excellencies be maltreated, the Democratic Kampuchea [DK] side would certainly continue the armed struggle.

2. Also on the afternoon of 24 December, Mr. Hun Sen called on and informed the samdech of the situation of the people's demonstrations and riots. There were reports that demonstrations and riots spread out not only in Phnom Penh but also in Kompong Cham and Battambang cities and in Rokar Kaong and Prek Kdam towns.

3. The samdech requested a special envoy of the UN secretary general or H.E. Ahmed, UN deputy secretary general, to come to Phnom Penh as soon as possible in order to work with the samdech in resolving this chaotic situation in Phnom Penh. But His Excellancy Ahmed did not accept this request.

4. The samdech said that Vietnam has withdrawn its troops from the Vietnamese-Chinese border to the Cambodian border. This matter is related to the current chaotic situation in Phnom Penh and provinces.

5. The samdech stressed that he would remain neutral and would not side with any party.

6. The samdech reassured the five major powers that Their Excellencies Khieu Samphan and Son Sen followed the samdech's advice for them not to come to Phnom Penh on 21 December and that the two excellencies would wait until the situation in Phnom Penh improves.

Our radio has received an additional report that Their Excellencies Khieu Samphan and Son Sen are always ready to go to Phnom Penh in order to attend meetings and work in the SNC with the five major powers, the co-chairmen, and representatives of the UNAMIC [UN Advance Mission in Cambodia].

Hopes for Year-End Meeting

BK2412113591 Hong Kong AFP in English 1042 GMT 24 Dec 91

[Text] Phnom Penh, Dec 24 (AFP)—Prince Norodom Sihanouk convened the secretariat of the Supreme National Council (SNC) Tuesday and said he hoped the full council would meet here by the end of the year.

Meanwhile, the prince said Prime Minister Hun Sen would convene the National Assembly to pass a law on demonstrations, although no date was given.

According to Western diplomats who attended the secretariat meeting, the prince also said the United Nations should hurry up and deploy its full team of peacekeeping troops.

Representatives of the five permanent members of the United Nations Security Council were there, along with the head of the U.N. Advanced Mission in Cambodia (UNAMIC), Ataul Karim.

"I was very encouraged" about the continuation of the Cambodian peace process, Karim said. "It was a good meeting."

Other sources who attended the meeting said the five permanent members—Britain, China, France the United States and the Soviet Union—told Prince Sihanouk that the SNC must meet soon in the capital.

"He agreed and said it would possibly be before the end of the year," one Western diplomat said.

The meeting has been delayed as Khmer Rouge leaders Khieu Samphan and Son Sen remain in Bangkok after being chased out by an angry lynch mob on their return to Phnom Penh on November 27.

Unrest in the capital Saturday—when anti-corruption demonstrations got out of control and five people were killed—postponed their second attempt to return.

Prince Sihanouk also said the U.N. secretary general should speed up and name a special coordinator for Cambodia, the sources at the meeting said.

"This has symbolic importance because it would show the U.N. cares about the situation here and is doing something about it," another diplomat said.

"He urged the Permanent Five people to try to get the U.N. to speed things up on both issues," he said.

The unrest in the capital has prompted more calls to have the United Nation's largest-ever peacekeeping force deployed as soon as possible. Phnom Penh was quiet on Tuesday, with small pockets of armed police blockading some roads.

The team of about 400 U.N. personnel now in Cambodia is only a liaison group preparing the way for the U.N. Transitional Authority in Cambodia (UNTAC).

Karim said that radio communications had been established between the four military headquarters of the formerly warring factions following the teams' complete deployment Sunday.

The Inmarsat communications network in the Khmer Rouge headquarters at Pailin was not funtioning, but radio operations were going smoothly, he said.

He also said generals from the Khmer People's Liberation Front (KPNLF) and from the faction loyal to Prince Sihanouk had arrived in Phnom Penh to form the military working group of all the factions.

The committee, which would have members from all the factions, is intended to solve military disputes between the factions that cannot be solved by the communications set up by UNAMIC soldiers.

It was unclear whether the Khmer Rouge would have their civilian representative in Phnom Penh, Mak Ben, sit on the committee, he said.

"We hope to have the working group meeting right after Christmas," Karim said.

Sihanouk's Son, Daughter Appointed Officials

BK2612073691 Phnom Penh SPK in English 0416 GMT 26 Dec 91

[Text] Phnom Penh SPK December 26—Prince Norodom Sihanouk's son and daughter have been appointed as high ranking officials of the government of the State of Cambodia.

In the separate decrees signed by President Heng Samrin, Prince Norodom Chakkrapong has been appointed as advisor of chairman of the Council of Ministers, while Princess Bopha Devi was nominated as deputy minister of information and culture.

Moreover, Im Chhunlim, first deputy head of the party office and member of the SNC [Supreme National Council], has also been nominated as director-general of the radio and television to take over from Kim Yin who was removed from his post.

Meanwhile, three other deputy ministers of posts, communication and transports have been removed from their posts.

The deputy ministers include Chhim Seng, Kim Seap and Chan Chim.

Hun Sen Informs Chinese Envoy of 'Recent Riot'

BK2512112391 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 24 Dec 91

[Text] On the afternoon of 23 December at the office of the Council of Ministers, His Excellency [H.E.] Hun Sen, vice chairman of the Cambodian People's Party [CPP] Central Committee and chairman of the Council of Ministers of the State of Cambodia [SOC], granted an audience to H.E. Fu Xuezhang, permanent representative of the PRC to Cambodia.

On that occasion, H.E. Fu Xuezhang thanked the Cambodian Foreign Ministry and the SOC Government for their wholehearted assistance in the establishment of the Chinese Embassy in Cambodia.

H.E. Fu Xuezhang promised to fulfill his diplomatic mission in Cambodia to further strengthen the traditional bond of Chinese-Cambodian solidarity.

In his reply, H.E. Hun Sen informed H.E. Fu Xuezhang of the recent riot in Phnom Penh which was caused by a group of armed instigators.

H.E. Hun Sen noted that this incident has led the government to close schools and universities in Phnom Penh and impose a night curfew for a period of time in order to restore normal order. He stressed that this riot had also delayed the peace process in Cambodia.

The conversation proceeded in a cordial atmosphere permeated with mutual understanding.

Hun Sen Receives SNC Diplomatic Mission Chiefs

BK2512142891 Phnom Penh SPK in English 1100 GMT 25 Dec 91

[Text] Phnom Penh SPK December 25—Prime Minister Hun Sen received separately in Phnom Penh Monday chiefs of diplomatic mission of China, Thailand and Laos to the Supreme National Council.

Speaking on the occasions, Hun Sen informed his guests of the latest development and some necessary measures taken by the State of Cambodia in implementing the peace accord signed in Paris on October 23.

The prime minister and his guests discussed the point of views on the strengthening of friendship and solidarity between Cambodia and the three countries.

(?These) chiefs of diplomatic missions included Fu Xuezhang of China, Sunai Bunyasiriphan of Thailand and Khamphan Simmalavong of Laos.

PDK Calls for Early Dispatch of UNTAC

BK2512044591 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 24 Dec 91

["Statement of the Party of Democratic Kampuchea [PDK] which insistently calls for an early dispatch of the UN Transitional Authority in Cambodia [UNTAC] to Cambodia;" dated 24 December]

[Text] I. Since its signing in Paris on 23 October thus far, the Paris accord has not been effectively and significantly implemented, and the UNTAC has not yet arrived in Cambodia. The decision by the Supreme National Council [SNC] to install its headquarters and to operate in Phnom Penh cannot be enforced yet, and this is despite the drive to overcome obstacles by Samdech Norodom Sihanouk, head of state and chairman of the SNC, and the three Cambodian resistance forces. People have been well aware of the 27 November 1991 attack on the residence in Phnom Penh of Their Excellencies Khieu Samphan and Son Sen, members of the SNC from the Party of Democratic Kampuchea [PDK]. People have also fully realized the bloody anti-corruption protests in Phnom Penh, causing loss of life and injury to a number of demonstrators;

II. In the wake of the bloody and chaotic situation in Phnom Penh, there were hints of accusations against the PDK. Anyway, in the face of the indirect accusation, the PDK wishes to make the following clarifications:

The world has already been aware that before the accord was achieved and during its signing, the PDK had joined Samdech Norodom Sihanouk and two other Cambodian national resistance forces as well as the entire Cambodian people in and outside the country and the peace- and justice-loving countries all over the world in striving to have the accord signed. The PDK participated in demanding that the United Nations and the SNC play enhanced roles in implementing the comprehensive accord and monitoring its implementation. The PDK took part in demanding the complete dismantlement of the four Cambodian parties' Armed Forces. And the PDK also persistently demanded that the UNTAC, especially a UN peacekeeping force, be dispatched to Cambodia at an earliest date.

Since the accord was reached, the world has clearly realized the PDK's drive to surmount obstacles with the aim of joining Samdech Norodom Sihanouk—head of state and SNC chairman—the two other Cambodian national resistance forces, the entire Cambodian people inside and outside the country, and all the peace- and justice-loving countries all over the world to promote the accord's implementation.

Before and after the achievement and signing of the accord, the PDK has neither been able to stand in the way nor create obstacles to the process of implementing the accord. As a victim, the PDK—together with Samdech Norodom Sihanouk, all the Cambodian national resistance forces, and the entire Cambodian people in and outside the country as well as those in Phnom Penh—wants to have the achievement and implementation of the Paris 23 October 1991 accord. This is to allow Cambodia to recover peace, independence, and national reconciliation and compromise under the chairmanship of the SNC headed by Cambodian Head of State Samdech Norodom Sihanouk;

III. National and international opinions have been extremely concerned about the situation in which the accord has not yet been effectively and significantly implemented. People have wondered what should be done in order to start the execution of the accord to achieve concrete results. Some opinions have held that the UNTAC can be sent to Cambodia only after peace and security in the country, especially in Phnom Penh, are restored. However, Samdech Norodom Sihanouk, head of state and SNC chairman, the majority of the people in and outside the country, and the world have viewed the issue differently and held that only after an early dispatch of the UNTAC to Cambodia, specifically to Phnom Penh, can peace and security be restored and the accord implemented and verified by the SNC in conjunction with the UNTAC. Samdech Norodom Sihanouk, head of state and SNC chairman, expressed his view to the representatives of the five permanent members [of the UN Security Council] at the SNC secretariat meeting on 21 December. The PDK fully agrees and endorses the samdech's clear-sighted opinion. And some people have said that the UNTAC can only come to Cambodia in two or three months while some others have argued with various pretexts that it can only come after another five or six months.

The Cambodian people and countries that need to execute the Paris accord on Cambodia cannot understand the reason of the delayed dispatch of the UNTAC to Cambodia since the delay can severely endanger the Paris accord implenmentation. Before the UNTAC coming to Cambodia, especially to Phnom Penh, peace and security can never be found in Phnom Penh because there is no verification of the withdrawal of the Vietnamese forces from Cambodia—the forces are able to continue to command the Phnom Penh side's forces to further attack the national resistance forces in rural areas in Cambodia. And it was the core elements of the Vietnamese forces that led the attack on the residence of their excellencies Khieu Samphan and Son Sen in Phnom Penh on 27 November 1991 and cracked down on the mass demonstration between 17 and 22 December 1991, causing death and injury to a number of protesters.

Only after the arrival of the UNTAC to Cambodia, especially to Phnom Penh, can the SNC chaired by Head of State Samdech Norodom Sihanouk begin to operate in Phnom Penh to verify the withdrawal of Vietnamese forces from Cambodia, especially from Phnom Penh. Therefore, the cease-fire will be definitely respected and peace and security in Phnom Penh gradually restored.

The Paris accord on Cambodia clearly stipulates that two bodies, namely the SNC and the UNTAC, have to play a key role and should closely join forces to implement the accord and verify the accord implementation in all aspects. This is important in order to control the withdrawal of all foreign forces from Cambodia.

The situation after more than two months since the signing of the peace accord on Cambodia in Paris on 23 October 1991 clearly demonstrates that:

1. The SNC cannot function without the UNTAC; and

2. The UNTAC cannot function alone without the SNC chaired by Head of State Samdech Norodom Sihanouk;

IV. In light of the aforementioned reasons, the PDK would like to call on His Excellency the UN secretary general, the five permanent members of the UN Security Council [UNSC], Their Excellencies cochairmen of the Paris International Conference on Cambodia [PICC], all the country members of the UNSC, all the country members of the PICC, and all the peace- and justice-loving countries the world over to help motivate the dispatch of the UNTAC with civilian and military personnel to Cambodia at an early date.

At the present time, the Cambodian people in the interior of the country, who have been victimized by and suffered from the Vietnamese aggression for 13 years, welcome the Paris accord and want to have the accord effectively and correctly implemented as quickly as possible. And the Cambodian people, who have escaped from the country and lived abroad for 13 years due to the Vietnamese war of aggression, are also satisfied with and want to have the accord scrupulously, correctly, and speedily implemented so they can return to the country.

The entire Cambodian people are keeping an eye on the Paris accord implementation and placing their hopes on the SNC presided over by Head of State Samdech Norodom Sihanouk, the UNTAC, the Paris conference cochairmen, the five permanent members of the UNSC, the entire UNSC, the 18 countries, and the United Nations which have signed the accord, pledging to correctly implement the accord at the earliest date.
[Dated] 24 December 1991.

UNAMIC Opens Permanent Office in Phnom Penh

BK2512114091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 24 Dec 91

[Text] The UN Advance Mission in Cambodia [UNAMIC] opened its permanent office in Phnom Penh in a recent ceremony which was attended by representatives of various international organizations, diplomats accredited to Cambodia, and many high-ranking officials of the State of Cambodia.

This UNAMIC office is located in the former building of the Soviet Cultural Center.

UNAMIC Chief Ataul Karim noted that he would do his best in carrying out his duty in contribution to the implementation of the peace agreement on Cambodia signed in Paris on 23 October.

UNAMIC Moves Into Khmer-Controlled Territory

BK2212165091 Hong Kong AFP in English 1321 GMT 22 Dec 91

[By Robert Birsel]

[Text] Pailin District, Cambodia, Dec 22 (AFP)—Blue-beret United Nations peacekeepers moved into the heart of Khmer Rouge guerrilla territory Sunday saying their mission was Cambodia's last chance for peace.

Eight-member United Nations Advance Mission in Cambodia (UNAMIC) teams also took up positions Sunday at the headquarters of the two non-communist guerrilla factions in the northwest of the country.

"This is their last chance," a senior UNAMIC officer said.

Deputy UNAMIC commander Indonesian Colonel Ferry Tinggogoy agreed.

"If this doesn't work the world will turn its back on Cambodia and let them fight until there is no more Cambodian nation," he said.

A senior Khmer Rouge commander, speaking shortly before the UN convoy arrived here, said he was happy that the peacekeepeers were coming, and that the war in his country was finally over.

Khmer Rouge soldiers watched quietly as the white UN trucks, heavily loaded with equipment, pulled up at a checkpoint a few hundred meters (yards) across the border and UN soldiers jumped out to take souvenir snapshots.

The sky-blue of the peacekeepers' berets and the flags flying from their vehicles contrasted sharply with the jungle-green of the guerrillas' fatigues.

One Khmer Rouge soldier standing at attention shook his head grimly when Tinggogoy, speaking Thai, asked him if he were well.

Tinggogoy said that the UN communication systems would be up and running within a few hours of the teams' arrivals at the guerrillas' headquarters.

Efficient communications were the first priority of his teams, he said, as all four factions' armies had to be able to contact each other if any problem arose.

But as well as cease-fire violations, the UN teams will also have to worry about banditry and general lawlessness across the war-ravaged countryside.

Vast areas of Cambodia are ungoverned no man's land where neither guerrillas nor the Phnom Penh Government exercise real control. Earlier Tinggogoy expressed concern about the problem of banditry but said for the time being there was little that his teams could do.

"Some factions do not have full control over all of their troops," he said.

"But we do not have the capability to control that, not now. We must wait for UNTAC (UN Transitional Authority in Cambodia) ," he added.

The UNTAC is expected to be in place some time next year to supervise not only the cease-fire but the administration of the country in the run-up to elections in 1993.

A senior guerrilla official said the banditry was a major problem and would remain so for a long time.

"UNAMIC are very worried about this, but it is going to take a long time to get these bandits accustomed to peace," said Ok Serei Sopheak of the Khmer People's National Liberation Front (KPNLF) guerrilla faction.

Deserters from the KPNLF are thought to be responsible for a large number, though not all, of the bandit attacks.

"The bandit problem is the result of more than ten years of war," Ok said.

"It has become a social and economic problem for all of Cambodia. Only economic progress can convince them to give up banditry," he said.

UNAMIC will not make all bandits disappear, but we hope that their presence will act as a deterrent, Ok said.

Satellite System Links Khmer Army Factions

BK2312035791 Bangkok BANGKOK POST in English 23 Dec 91 p 6

[Text] Aranyaprathet—The army headquarters of the Khmer factions should be able to communicate through a satellite system established yesterday by three UNAMIC teams in Western Cambodia, according to signal specialist Sgt Tony Wills, who supervises the Australian communications team at Thmar Puok.

"We will send Christmas cards through fax machines to each of the Khmer army headquarters," he said with a smile.

Col Tinggogoy Ferry, the Indonesian deputy military commander of the UN Advance Mission in Cambodia (UNAMIC), said on Saturday that three UNAMIC teams each comprising eight soldiers had set up communications equipment at each headquarters of the three guerrilla factions.

"Our aim is to celebrate Christmas, which symbolises hope and peace for the world, and for Cambodia," he said.

"On Saturday, three UNAMIC teams journeyed to the Sihanouk army headquarters in Ampil, the Khmer People's National Liberal Front HQ in Thmar Puok and the Khmer Rouge's HQ in Pailin.

"A communications station was also set up in Phnom Penh."

The communications teams entered the Khmer camps from Thailand after flying from Phnom Penh to the Thai military airfield at Watthana Nakhon.

Col Ferry said their mission was to set up a communications channel that would enable dialogue between the four estranged Khmer factions following the implementation of the Cambodian peace treaty signed on October 23 in Paris.

Under the terms of the treaty, UNAMIC is mandated to prepare for the full deployment of the UN Transitional Authority in Cambodia (UNTAC) which will implement every aspect of the plan, both civilian and military.

UNAMIC's activities are to last up to six months from November.

By darkness yesterday, the army headquarters of the four Khmer factions were able to communicate through a satellite system deployed and operated by three UNAMIC teams.

Major John Steuber from the US said besides establishing the communications facilities the UN officials would also monitor the movement and military operations of the Khmer factions following the voluntary ceasefire.

"But that will be extremely difficult because of the small number of people we have," said the major who is to be stationed at Thmar Puok.

Asked what he would do in case of an armed classh, Maj Steuber replied:

"We'd run to the Thai side of the border."

Col Ferry played down danger fears for the unarmed communications teams.

He said the UNAMIC so far [has] not encountered any difficulties, or signs of danger.

Lt Col Wolfgang Weinert, from the German Army, said the services of the UNAMIC "would facilitate discussions and eventually a solution to whatever problems there may be."

Peace Accord Violations in Kompong Thom Noted

BK2612102591 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 24 Dec 91

[Text] According to the military sources in Kompong Thom Province, the other Cambodian factions have continued to violate the Paris peace agreement.

They have launched activities in the terrains under the control of our armed forces in Kompong Thom Province by transporting ammunition into hiding places, sniping at cars, shelling our positions, and robbing people's property and farm animals.

In addition, the other Cambodian factions have mobilized eight (?brigades) of forces to attack and seize control of remote villages and communes.

As a matter of fact, in November, the other Cambodian factions' forces launched activities on 76 occasions. They killed an inhabitant, wounded two others, plundered 10 motocycles, burned down a house, and robbed some property of the people.

At the same time, the Pol Pot elements were seen passing by villages on 39 occasions. They entered villages on 16 occasions, transported ammunition on 11 occasions, planted mines on one occasion and shelled villages on six occasions.

To defend the terrains and localities and provide security for the people, our Armed Forces in cooperation with the people launched activities to mop up the enemies in a timely manner.

According to the Kompong Thom provincial committee, (?22) agents [words indistinct] of the other Cambodian side turned themselves in to the local authorities. They led the authorities to seize a number of hidden arms, materiel, and (?mines).

In November, 53 soldiers and officers of the other Cambodian side were persuaded to surrender. They brought along 19 assorted weapons.

'Source' Notes Deaths, Injuries

BK2512062691 Phnom Penh SPK in English 0416 GMT 25 Dec 91

[Text] Phnom Penh SPK December 25—Ten passengers were killed and 15 others wounded in last week attack by polpotists on military transport trucks along Highway 12 in Kompong Thom Province.

According to the source from Kompong Thom Province, four army transport trucks were attacked by more than 50 polpotists while returning with passengers from Preah Vihear Province where they unloaded food supplies for Armed Forces.

After firing at the convoy with assorted guns, the polpotists troops burned two trucks and shot ten passengers to death, including three children, and took all valuable belonging from the passengers, the source said.

Polpotists Launch 19 Operations in Pursat

BK2612104591 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 24 Dec 91

[Excerpt] Colonel (Khan Phon), political officer of the 94th Brigade stationing in Phnum Kravanh District of Pursat Province, said that since 23 October, the Polpotists launched various operations and robbed the people in a number of communes, particularly in Phteah Rong Commune where they launched 19 operations, encroached upon our terrains on three occasions, and robbed the people's property and food on five occasions. [passage omitted]

Defense Ministry Official Visits SRV Attache

BK2612120191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 25 Dec 91

[Text] To mark the 47th founding anniversary of the Vietnam People's Army 22 December 1944-22 December 1991, on the morning of 21 December, a delegation of the Defense Ministry led by Lieutenant General Tha Thanchan, deputy chief of the General Political Department; Major General Bun Kang, deputy chief of the General Logistics Department; and many leading cadres of the departments and sub-departments under the Defense Ministry went to lay wreaths at the monument commemorating the Vietnamese Army volunteers who sacrificed their lives in salvaging the Cambodian people from the Pol Pot regime and helping them defend their motherland.

The delegation also called on the Vietnamese military attache, who accorded it a warm and intimate welcome permeated with spirit of friendship and solidarity.

On that occasion, Lieutenant Tha Thanchan expressed profound thanks to the Vietnamese military attache, and especially the Vietnamese Army volunteers, who fulfilled internationalist duty in Cambodia and made many sacrifices to salvage the Cambodian people from the Pol Pot regime. Moreover, the Vietnamese party, state, and Army have given much moral and material assistance to the Cambodian people in restoring and improving their livelihood and national economy.

In his reply, Colonel (Pham Van Lang), military attache of the SRV Embassy in Cambodia, thanked the Cambodian party, state, and Army for creating favorable conditions for him and the Vietnamese volunteers in fulfilling their past tasks in Cambodia. He highly valued the struggle waged by the Cambodian Army and people in which they scored many large achievements in the past more than 13 years under the correct leadership of the Cambodian People's Party [CPP], thus causing the political prestige of the State of Cambodia to soar highly on the international arena.

The colonel stressed that in his capacity as the Vietnamese military attache, he would make all-out efforts to fulfill his task effectively and firmly strengthen Cambodian-Vietnamese ties of solidarity and friendship.

Governor Interviewed on Trade With Thailand

BK2312034191 Bangkok THE NATION in English 23 Dec 91 p A2

[Text] Thai private sector investment in Cambodia will help boost trade and good relations between the two countries, according to It Loeu, the governor of Banteay Meanchey in northwestern Cambodia.

But he said the Cambodian government and the private sectors should coordinate their planning in order to make it more advantageous for both parties.

The Cambodian government has prepared a policy to support Thai private investment in Cambodia, said It Aranyaprathet on directions in trade and investment between Thailand and Cambodia. He was interviewed later by THE NATION.

Cambodia had already introduced regulations and set up a committee to guarantee and protect trade, investment and assets of Thai and foreign investors, he said.

Turning to the investment required in Cambodia, It said infrastructure and other facilities were essential, especially with the expected influx of Cambodian refugees returning home soon. Other top priorities were communications and transport because other investment would need good services in these two areas.

He also outlined the need for investment in agricultural technology because Cambodian farmers were still using outdated technology for planting. On the need for investment in tourism and hotels, It said Cambodia has many interesting places which could become tourist attractions but it lacks adequate management skills. There was a lack of hotels and investment in this area would help boost the tourist industry.

It said people in the Thai-Cambodian border areas have engaged in trading in the past and proved that the two sides can get along well. He said Cambodia needs consumer goods from Thailand, and Cambodia could offer Thailand fishing and forestry products, and agricultural goods such as peanuts, beans and tobacco.

It said his province of Banteay Meancheay is the gateway from Thailand to other provinces, so it is also interested in attracting investment even though there is a lack of natural resources and raw materials in the province.

In Banteay Meancheay there already was an organization to encourage investment and help investors. He expected that in the near future the most important trade route would change from Kho Kong to highway No. 5 which runs through the province to Poipet.

He said the arrival of UN peacekeeping forces in Cambodia and the promise of elections should help encourage security and stability.

He predicted that Cambodia's trade policy would not change after a general election is held in Cambodia.

Indonesia

Official Committee Says 50 Died in Dili Shooting

BK2612075291 Hong Kong AFP in English 0738 GMT 26 Dec 91

[Text] Jakarta, Dec 26 (AFP)—A total of 50 people died after troops shot into a crowd of mourners at a cemetery in Dili, East Timor, on November 12, an official committee set up to investigate the shooting said here Thursday. "Fifty (dead) is accountable...the figure of 50 people we use is based on witnesses," National Investigative Commission (KPN) team leader Jaelani told journalists after reporting to Indonesian President Suharto at the State Palace.

Nineteen died in the shooting according to an earlier official version while witnesses told of over 100 dead.

Deputy Says Incident Internal Affair

BK2412132991 Jakarta ANTARA in English 1036 GMT 24 Dec 91

[Text] Jakarta, Dec 24 (OANA-ANTARA)—A member of the European Parliament, Ben Visser, is of the opinion that the November 12 Dili incident is the internal affair of Indonesia and only a short term problem.

In a press conference at the Indonesian Parliament building here Tuesday, Visser said that although the incident must be considered a serious one, it was Indonesia's internal affair.

He also viewed the incident as a short term problem, while the assistance from the European Community to Indonesia was on a long term basis.

Waiting for the result of the national investigation commission (KPN), which just came back from collecting first hand data and facts of the incident in East Timor, is a proper way for Indonesia before dealing with the incident further, he said.

He hoped that the KPN would announce the result of the investigation openly and give as many details as possible about the incident.

By providing open and detailed information, the Indonesian people as well as the rest of the world would see the problems clearly.

Indonesia should thoroughly understand why the incident happened, he said.

His report to the European Parliament, according to Visser, would not be influenced by the Dili incident. But, if he is asked, he will explain about some problems of the developing countries which need attention such as the environmental, human rights and democratization issues.

Ben Visser, who is on a trip to ASEAN to collect some input to be discussed in the European Parliament session in October 1992, said the main aim of his visit to the region was to step up the economic cooperation between ASEAN and Europe.

The trade volume among the ASEAN countries—Brunei, Indonesia, Malaysia, Singapore, the Philippines and Thailand—which reaches around 15 per cent, need to be increased, Visser said.

The opportunity is very dominant in encouraging the regional economic growth rate, he added.

According to him, the trade volume among the European states at present reaches around 85 per cent.

He hoped that the economic relations within ASEAN could be intensified effectively in the future.

Production Record for Natural Gas Reached

BK2612095291 Jakarta ANTARA in English 0909 GMT 26 Dec 91

[Text] Jakarta, Dec 26 (ANTARA-ECOANA)—The Arun field in Aceh, which is one of the biggest natural gas fields in the world, achieves in 1991 a new record through the production of 1,089 million cubic feet of natural gas and 119,663 barrels of liquefied gas.

A press release of the public relations office of the state oil company Pertamina here on Wednesday said the record production was announced at Lokhseumawe, Aceh, recently at the 20th anniversary commemoration of the discovery of the Arun field by Mobil Oil Company Indonesia (MOCI), one of Pertamina's production sharing contractors.

The 35 square mile Arun field was discovered on November 18, 1971, and was estimated to contain 14 trillion cubic feet of natural gas and 600 million barrels of condensate.

On that occasion, MOCI President Lanee E. Johnson said that the discovery of the Arun field was of great significance for Indonesia, particularly for exploration activities and the production of natural gas.

Since the first gush of natural gas from Arun's E-1 well, the natural resource had been carefully developed without inflicting disturbances to the environment.

He further revealed that in December 1973, Pertamina and MOCI signed a long term sales contract of natural gas with Japan which coincided with the start of contruction of Pt. Arun's LNG [liquefied natural gas] Refinery which was situated about 36 km north west of the Arun field.

The refinery started production in 1978 and in 1991 achieved a new daily production record of 77,725 cubic meters of LNG, while its previous record stood at 77,149 cubic meters or the equivalent of 136.4 per cent of the refinery's installed capacity, MOCI President Johnson said.

Philippines

Talks on U.S. Base Pullout To Resume 26 Dec

HK2612030291 Manila BUSINESS WORLD in English 26 Dec 91 p 8

[By Jose G. Ebro]

[Text] RP [Republic of the Philippines]-US talks on the three-year withdrawal arrangement continue today with the Constitutional deadline looming.

Unless US envoy Frank Wisner and Executive Secretary Franklin Drilon can work out a compromise on snagged issues—the "neither confirm nor deny" policy with regard to nuclear weapons and Philippine insistence on having the new Status of Forces Agreement [SOFA] as the legal regime for the duration of the pullout—the Philippines will be constrained to issue a new notice of termination by yearend in order to comply with the Constitution.

Philippine officials had asked why, given US President George Bush's stated intention to remove tactical and medium-range nuclear weapons from US vessels and aircraft and Seoul's ability to declare a total pullout of US nukes from South Korea, the "neither confirm nor deny" policy might not be dropped.

"The Americans can let the South Koreans say "We don't have any more US nukes with such conviction but they can't accord us the same courtesy," a senior government official complained.

"Actually, you can't draw a comparison between the two," a US diplomat pointed out. "We had tactical nukes, mainly artillery-based, on the ground facing the North Koreans as part of our commitment to South Korea. So, of course, when we pulled them out, Seoul was perfectly able to say so. We only use 'neither confirm nor deny' with regard to our vessels. That policy remains," he explained.

1947 MBA

Under the Manglapus-Shultz Amendment to the '47 Military Bases Agreement [MBA], the US must obtain the prior permission of the Philippine Government if it wants to store or install nuclear weapons in its facilities here. "If we had ICBMs here, of course the Philippine authorities would have to be told. Then, if we pulled them out, of course, they would be able to say so," another American diplomat noted. Transits and overflights of US vessels and aircraft (potentially carrying nukes) are out of the scope of this arrangement.

With regard to the new SOFA worked out under the failed RP-US Treaty of Friendship, Cooperation and Security, the US is resisting its imposition because it would "introduce some disruptions into our existing arrangement," a US military official told BUSINESS WORLD. "That would be all right if we had a long time to work this out but we'll only have three years at the most," he said.

US diplomats said that the new SOFA, with significantly better terms for the Philippines, was "part of the Treaty deal,...part of the whole package."

"We gave some and we took some. You can't just take out the parts you like and say: 'Here! Implement this'," one said.

For their part, Philippine diplomats have pointed out that if the '47 MBA is to terminate in 1991 as the Constitution states, a new legal regime will have to govern the continued stay of US service members here.

Government Recognizes New Russian Federation

HK2612094291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Dec 91

[By Rey Arquiza of DZRH Unit 21]

[Text] Foreign Affairs Secretary Raul Manglapus announced today that the Philippines recognizes the newly established Russian Federation. Philippines' recognition of the other republics under the Commonwealth of Independent States will follow after the new year. According to Manglapus, he has informed former Soviet Ambassador to the Philippines Vitaliy Kuchuk that he will also be recognized as the ambassador of the Russian Federation. Manglapus believes that the newly-named Russian Embassy in Manila will inform the Philippine Government if it continues to represent the interests of the other republics under the Commonwealth of Independent States.

Japan Threatens Aid Reduction Over Protocol

HK2612101291 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 26 Dec 91

[Text] Finance Secretary Jesus Estanislao said that Japan has warned it may reduce its aid to the Philippines, if protocol is not observed in relation to controversial issues involving companies and affluent Japanese. Estanislao is concerned that the Japanese Diet could be affected by the publicity over the alleged kickbacks which Japanese firms gave to the late President Ferdinand Marcos and his cronies in exchange for business-related favors. In view of this, Estanislao said Japan wants major information on controversial issues involving Japanese in the Philippines to be passed through proper channels. Estanislao stressed that if this is not observed, Japan may reduce the $1 billion annual aid it is giving the Philippines.

Military Says Communists Violate Christmas Truce

HK2412015891 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 23 Dec 91

[Text] The communist rebels have twice violated the Christmas cease-fire imposed by the government. This accusation was made by the military after two separate encounters occurred 12 hours after the start of the Christmas cease-fire in Negros Occidental and Samar.

No casualties were reported on the government side in the encounter in Sitio Puon, Barangay Tubogon, Town of Cabangkalan, Bacolod City. The exchange of gunfire lasted for more than 30 minutes between 71 infantry battalion soldiers and 20 New People's Army [NPA] rebels. In the two encounters, five NPA were said to have died, and five government troops were seriously injured. The declared cease-fire of the communist rebels started at 0100 while the government cease-fire started at 0001 on 23 December. General Lisandro Abadia, chief of staff of the Armed Forces of the Philippines, ordered the suspension of all military operation within 72 hours, unless attacked by the rebels.

Seven Reported Killed

HK2612100691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Dec 91

[By Rodney Jaleco of DZRH Unit No. 1; italicized passages in English]

[Text] Seven people were reported to have been killed when 100 armed communist rebels attacked a Citizen's Armed Forces Geographical Unit [CAFGU] detachment in Barangay Buenaveda, Makilala, Cotabato while the soldiers were celebrating Christmas.

According to reports received at Camp Aguinaldo, four New People's Army [NPA] rebels and three members of the CAFGU detachment were killed in the five-hour battle which started at 0100 Christmas morning. The slain soldiers were identified as CAFGU Edring Mamang, Jose Capuyo, and a soldier identified only by his first name, Edmundo.

Colonel Jaime delos Santos, Armed Forces of the Philippines spokesman, said the assault made by the communist rebels was part of their bloody Christmas operation to commemorate their anniversary which they are celebrating today. Colonel Delos Santos also said:

[Begin Delos Santos recording] ...in the coming year. *But on the part of military, we will be more cautious, and we will be more alert and more vigilant so* that these things will not happen again. Take for example that incident in Samar, a soldier was just going to the market when he was ambushed by the enemy. *So, we cannot discount the possibility that there will be violations that will be committed again by the leftists. But on the part of the military,* we can promise that we will not take steps to hinder or violate the cease-fire. [end recording]

Military To Resume Operations

HK2612045891 Manila MANILA BULLETIN in English 26 Dec 91 pp 1, 10

[By Aris R. Ilagan]

[Excerpt] The Armed Forces of the Philippines (AFP) will resume today its pursuit operations on New People's Army (NPA) rebels nationwide as the ceasefire declared by both parties in observance of Christmas Day ends.

At the same time, the military was also alerted on possible attacks by NPA guerrillas as its governing body, the Communist Party of the Philippines (CPP), celebrates its 23rd anniversary today. The CPP was founded Dec. 26, 1968, by Jose Ma. Sison, now living in exile in the Netherlands.

The CPP anniversary has been observed in previous years with raids and sabotage operations on government installations.

Gen. Lisandro C. Abadia, AFP chief of staff, directed all military field commanders to resume operations against NPA rebels. "You must keep them on the run," he told military commanders. [passage omitted]

Police Alert on NPA Anniversary

HK2612050491 Manila MANILA BULLETIN in English 26 Dec 91 p 10

[By Victor Vega]

[Text] The Western Police District Command (WPDC) is on red alert today as the Communist Party of the Philippines (CPP) celebrates its 23rd anniversary.

Intelligence reports said that members of the CPP will launch "Operation Dikit-Pinta" [Stick-Paint] in Metro Manila, while the NPA will conduct "teach-ins" and political work in barangays and countryside towns.

Chief Supt. Ernesto Diokno, district commander of the WPDC, said that he has ordered the deployment of plainclothes policemen to prevent vandalism and other illegal acts expected to be launched by CPP members on their anniversary.

A report reaching the WPDC headquarters said that some top cadres and political officers of the CPP will hold their political plannings and meetings in some CPP "safehouses" in Metro Manila.

The WPDC head instructed Chief Inspector Rodolfo Rival Sr. of the WPDC mobile division and the 11 WPDC precinct commanders to conduct a 24-hour routine surveillance on CPP's suspected hideouts and underground houses.

Military Claims Marked Decline in NPA Strength

HK2612033991 Manila BUSINESS WORLD in English 26 Dec 91 p 8

[By Caridad S. Bautista]

[Text] The Communist Party of the Philippines (CPP) faces continuing decline in strength as it celebrates its 23rd anniversary today.

Figures provided by the Armed Forces of the Philippines (AFP) show a marked decline in the strength of the CPP and its armed wing the New People's Army [NPA], since its peak in 1987 with 25,200 members.

"By 1987, the movement gained momentum and strength, reaching its peak of 25,200 armed NPA regulars and 72 guerilla fronts established throughout the country. Within the same period, a total of 8,496 barangays has fallen under the grip of communist influence which indicated the widening area of control that the insurgent forces had mustered in the countryside," an AFP document said.

UNSUSTAINED GROWTH

This growth in strength, which began with a few hundreds on December 26, 1968, however, was not sustained.

A CPP-NPA document obtained by Business World said the decline in the strength of the communist insurgency is rooted in the loss of mass support. Because of this, the CPP-NPA leadership had planned to renew the mass support as part of its campaign plan in 1991.

But the AFP said that instead of the movement gaining more support, it further reduced its strength to 16,350 by September 1991 from 17,270 by end of 1990.

DIFFERENT TACK

The AFP thus launched a different approach to the insurgency problem. In September 1988, "Lambat-Bitag" [Net Trap] was launched to turn the tide of the battle, the AFP document stated. "It integrated into an overall scheme the Special Operations Team (SOT) concept, the Citizens Armed Forces Geographical Unit program, the methodology of Clear-Hold-Consolidate-Develop and the three-tiered defense system."

By the end of 1988, the CPP-NPA strength was reduced to 23,060. This was further reduced to 18,600 by 1989.

The present strength of the insurgents has prompted the AFP to predict a strategic control over the insurgency by 1992, with the present strength of the CPP-NPA down to the near 1984 level of 14,360.

50% DROP

The number of communist-influenced barangays has been reduced to 4,100, more than a 50%drop from the 1986 figure of 8,496 CPP-NPA influenced barangays.

"Based on this perspective, the bottomline objective of the AFP's counterinsurgency campaign is to effect a decisive and strategic victory against the CPP-NPA by the end of 1992.

"In terms of performance, progress and conduct of operations, the on-going program of the AFP's major services and subordinate units confirm the capability of the AFP to meet its target objectives within this time frame," the AFP said.

Communist Group Studies Fall of Soviet Empire

HK2612032691 Manila THE CHRONICLE in English 26 Dec 91 p 1

[By staff member Manny Mogato]

[Text] Local communist leaders are studying the collapse of the Soviet Union and its satellite states in eastern Europe in the hope of finding in it lessons that would help them sustain and perhaps redirect their own insurgency movement, military intelligence authorities said.

A 12-man communist study group headed by a certain Sergio Torres, an alleged leading New People's Army (NPA) cadre, has reportedly slipped into the Soviet Union late this year to learn from the mistakes of the Soviet communist party.

A senior armed forces intelligence official said they had received reports that local insurgents had been going to other former socialist countries in eastern Europe for the same reason.

Torres, according to the military, had already sent some of his "analysis" back to the country for discussion by the senior cadres of the CPP [Communist Party of the Philippines]-NPA-NDF [National Democratic Front].

Gen. Lisandro Abadia, the chief of staff, said the local guerrillas had been greatly affected by the collapse of the communist empire. "They have become ideological orphans," he told reporters describing what had happened to the CPP-NPA-NDF after the fall of the Soviet empire.

Abadia said the military was expecting changes in the local insurgency movement as other countries with closer ties with the Soviets "are rethinking their positions and are considering opening up their markets and political systems to avoid isolation from the world community."

He cited moves from Vietnam and North Korea, both communist-controlled states, to look outward and adapt to the changes happening around them.

He said the local communists might be thinking of the same thing and that many of their supporters and followers might already be tired of fighting the government.

He said the military would launch massive information and civilian-military operations (CMO) activities next year to complement their combat operations against the CPP-NPA-NDF.

It will shift its focus on CMO activities to inform the people that "communism as an ideology is a bankrupt ideology," he said.

"Many of their (the rebels') followers and supporters might not even know what had happened in Russia so we are just merely telling them what had become of the ideology they're fighting for," he said.

Rebel leaders might not have been telling the truth to the followers so the armed forces would do it for them by bombarding them with information, using comics and the air waves.

The local insurgents had been looking for various ways" to stay alive," but the military would thwart all their moves.

Five Cabinet Members To Resign, Run for Senate

HK2512070891 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 25 Dec 91

[Text] Five members of the cabinet who plan to run in the 1992 election will be submitting their resignation letters to President Aquino by the end of January or the first week of February.

Press Secretary Tomas Gomez III said their resignation letters will be presented before the deadline for the submission of certificates of candidacy expires on 1 February. The cabinet members who plan to run for senator are Alfredo Bengson, health secretary; Fulgencio Factoran, Department of Environment and Natural Resources secretary; Ruben Torres, labor secretary; Guillermo Carague, budget secretary; and Tomas Gomez III, press secretary.

Muslim Rebels To Participate in Election

HK2612060191 Manila THE CHRONICLE in English 25 Dec 91 pp 1, 8

[By correspondent Cet Dematera]

[Text] Separatist and secessionist groups, including the Moro National Liberation Front [MNLF] and the Bangsa Moro [Moro Homeland] Forces of Muslim Mindanao yesterday announced plans to participate actively in the May 1992 elections and temporarily abandon their armed struggle.

In a press conference at the Sulo Hotel in Quezon City, leaders of the All Muslim Assembly (AMA) said that their political participation would range from the fielding and support of Muslim candidates, endorsement of a presidential candidate and ensuring clean and honest elections.

Lawyer Macapanton Abbas Jr., AMA chairman, said that their participation in the elections was prompted by the shifting of the Organization of Islamic Conference (OIC) from the revolutionary armed struggle to the peaceful political process during its Dec. 10-12 summit held at Dakar, Senegal.

Abbas said that the Bangsa Moro Forces and other Muslim fighting groups decided to adopt the parliamentary mode of obtaining the Muslim's political and Islamic objectives through peaceful means.

In a press statement, Abbas said: "The AMA is resolved to participate intensively in the forthcoming electoral process, which mainly is to reach for a competent, just and courageous national leadership that will unify the country and fight poverty and elevate the people's economic condition to a higher human level of existence.

"Our internal conflicts as Muslims will not affect our national quest for a peaceful political struggle," he said.

Other Muslim groups present during yesterday's press conference were: The Unification Committee of the MNLF, MILF [Moro Islamic Liberation Front], and MNLF Reformist through Datu Ray Ibrahim Uy; the Bangsa Moro Islamic Party of Datu Firdausi I.Y. Abbas; the Muslim Bar Association of the Philippines represented by lawyer Rashid Saber; the Muslim Association of the Philippines of Datu Mac Delangalen; the Islamic Directorate of the Philippines by Datu Mama Sinsuat; the Unions of Muslim Democrats of the Philipines by Director Abu Hassan Mimbisa; the Islamic Dawa under Ustads Abubakar Siddiqui; and the Union of Mindanao Tribal Councils under Arthur Lajling.

Abbas said that the Muslims would support a presidential candidate who would lay down programs for the betterment of the Muslims, the whole of Mindanao and the whole country.

"When we believe that a certain presidential candidate will represent the objectives of the entire Muslim people and the country as well, he is sure to get support from us," Abbas said.

Mindanao has a voting population of eight million or 28% of the country's total voters. At least 2.5 million of them are Muslims.

"We will never let play any personal grudge on any politician. [sentence as published] We will base our support on their programs for the Muslims and the entire Mindanao," Abbas added.

He said they will support a candidate who is a real advocate of federalism which is based on the Tripoli Agreement but did not identify who they would particularly back up.

Abbas said they would hold a convention in January to decide who to support, what action to take if the elections were marred by massive cheating and violence and their plan in case the military takes over if there were massive fraud and cheating.

Thailand

Ties With Baltic States Approved 'in Principle'

BK2512040891 Bangkok Radio Thailand Network in English 0000 GMT 25 Dec 91

[Text] The Cabinet yesterday approved in principle the establishment of diplomatic relations between Thailand and Estonia, Latvia, and Lithuania as proposed by the Ministry of Foreign Affairs.

The ministry said Thailand should establish diplomatic relations with the three Baltic states as it already recognized the independence of the three countries on 9 September 1991.

The Cabinet was told that the three Baltic states have become UN members and establishing diplomatic relations with these countries will boost Thailand's image in the international arena leading to wider cooperation between Thailand and the three states in the economic and cultural fields.

The move will facilitate contacts by both the public and private sectors, which want to explore trade and investment in the three Baltic states. The establishment of diplomatic relations with the three states will also benefit Thailand in expanding economic relations with the Nordic countries and the European Community, which have close ties with Estonia, Latvia, and Lithuania.

Statement Recognizes Republics

BK2612121991 Bangkok Voice of Free Asia in Thai 1030 GMT 26 Dec 91

[Text] Sakthip Krairoek, director general of the Foreign Ministry's Information Department, has reported on the Thai Government's statement recognizing the republics of the former Soviet Union. The major points of the statement are as follows:

In connection with the official disintegration of the Soviet Union by the end of 1991, the Thai Government would like to welcome the entry of the republics of the former Soviet Union to the world community as independent states. On this occasion, the Thai Government would like to announce its recognition of the independence of each new state as it has recognized the three Baltic states—Estonia, Latvia, and Lithuania—on September 9, 1991.

The Thai Government wishes to develop friendly relations with these new states for mutual benefit in the near future. Moreover, Thailand welcomes the formation of the Commonwealth of Independent States as the framework of cooperation between the 11 republics of the former Soviet Union and the expression of its intention to respect all obligations the former Soviet Union had undertaken in the international community.

Thailand hopes that political changes within the territory of the former Soviet Union will continue peacefully and contribute to the prosperity and happiness of the peoples of these republics and the world as a whole.

Border Cooperation Agreement Signed With Laos

BK2412145391 Bangkok Army Television Channel 5 in Thai 1230 GMT 24 Dec 91

[Text] Thailand and the Lao People's Democratic Republic [LPDR] signed an agreement on general cooperation in maintaining peace and order along their border. Thailand was represented by Defense Minister

General Suchinda Khraprayun and the LPDR by Defense Minister Lieutenant General Choummali Saignason.

In the agreement, both sides agreed to exchange information through their liaison mechanism, in conformity with their respective laws and regulations, on preventing narcotics trafficking and illegal immigration. The agreement also concerns the nonuse of one country's territory to threaten another; cooperation between Thailand, the LPDR, and the UN High Commission for Refugees for the repatriation of Lao refugees in Thailand; and the establishment of a cooperation mechanism for maintaining peace and order along the common border, in order to truly transform it into a border of peace and friendship.

[Begin Suchinda recording in progress] We are very pleased with the visit of the Lao delegation. At least the Lao delegation will understand that Thailand has tasks of national development to carry out to benefit the Thai people's economy and well-being. We have no problems with Laos at all. We hope that Laos will understand that we do not have a policy of creating worries for its government. Reporters here know that the immediate issue of the Thai Government, military, or any Thai authority is to improve the Thai people's quality of life. We have never bothered or created difficulties for neighboring countries. Such notions have never been on the mind of anyone in the Thai Government or the Thai military. During the entire time that I have served in the Army, the Army has never had a plan to attack any country. It only has plans for national defense. Therefore, we reiterate that we never desire to wage aggression against other countries. [end recording]

Minister: Bangkok Should Win Cambodia's Trust

BK2212013091 Bangkok BANGKOK POST in English 21 Dec 91 p 3

[Text] Aranyaprathet—Thailand should win Cambodia's trust for a long-term partnership in mutual economic development instead of capitalising on quick gains, Deputy Commerce Minister M.R. Pridiyathon Thewakun warned yesterday.

While the Thai government is making efforts to facilitate private trade and investment activities with Cambodia, the private sector "should ponder how to make these opportunities last," the minister said in his opening address at a seminar on the Trade and Investment Outlook between Thailand and Cambodia.

The seminar was organised by the Joint Public and Private Sector Committee for Prachin Buri and the Than Setthakit newspaper.

"If we only concentrate on big profits when Cambodia has no choice, it will look elsewhere because apart from Thailand, many other countries are interested in Cambodia as well," he said.

The deputy commerce minister also criticised the presence of "security concerns" which restrict trade and investment activities, especially on the Thai-Cambodian border.

The government has a lot of homework to do such as drafting trade and investment protection agreements which will boost confidence for Thais.

"More importantly, we have to do away with obstacles to trade that come from official regulations and procedures, especially the sentiment on parts of some agencies which feel possessive of the route (along the Thai-Cambodian border)" he said.

The minister added that the government's policy to promote trade exchanges with Cambodia had not been "thoroughly communicated" to the level of field officers, thereby obstructing economic activities.

"Security-motivated measures are still being implemented, despite the fact that this reason is no longer valid," he said.

However, Mr Khachatphai Burutphat, deputy secretary general of the National Security Council, underscored the importance of security.

Also speaking at the seminar, Mr Khachatphai was responding to the question from participants as to why the military always prevailed when making a reference to security.

"Security is not only defence, but it also means political stability, economic strength, diplomacy and the well-being of the people. Security and national interests always remain important," Mr Khachatphai said.

He declined to give a time frame when the National Security Council would authorise the opening of more border crossings on the Thai-Cambodian border.

The governor of Banteay Meanchey province, Id Rua, another panelist at the forum, talked about the bright prospects for Route 5 by tourists travelling overland from Thailand to Cambodia in the future.

His province has a great demand for farm machineries and construction materials, and can export a variety of raw materials to Thailand.

"We are really keen to have a rail link between Aranyaprathet and Phnom Penh," he said.

The Thai government has proposed to repair the 48-kilometre portion of Route 5 between Poi Pet and Si Sophon and has allocated a budget of 70 million baht for the purpose.

Tourism Authority of Thailand deputy governor Seri Wantphaichit said there is a possibility that the Orient Express train service may operate to Cambodia within three years.

The Orient Express will operate from Singapore, through Malaysia and to Chiang Mai next November.

"We have also proposed to the Orient Express that Cambodia be hooked in with the route, through Aranyaprathet and Siem Riep before coming to Phnom Penh," said the deputy governor.

Officials Discuss ASEAN Free Trade Area

BK2512014591 Bangkok THE NATION in English 25 Dec 91 pp B1, B8

[Discussion with Phatchara Itsarasena, permanent secretary of the Commerce Ministry and Wirot Phutrakun, vice president of the Federation of Thai Industries and chairman of Lever Brothers (Thailand) Ltd. at a seminar sponsored by the Commerce Ministry "last week" in Phatthaya]

[Text] Phatchara: I would like to offer three theses on free trade in reference to the ASEAN Free Trade Area that we are going to discuss. The free trade concept was based on the assumptions that competition in domestic markets as well as in member countries would be freed up and investment conditions among the six countries would be fully liberalized.

Under the free domestic market thesis, the government will not be involved in any enterprises that are in direct competition with the private sector except those that are crucial to national security such as water, electricity, defence, public health and education.

At the same time, the government will privatize state enterprises so that private interests manage and control these ventures. The state will lift controls on the operations of the private sector and minimize its intervention to times that are deemed absolutely necessary.

Under the second thesis, the government will undertake tax reforms to ensure fair treatment for local and foreign manufacturers. By the end of the tax restructuring, the average tax on raw materials and machinery should range from 0-5 per cent, 10-15 per cent for semi-finished goods and 20-25 per cent for finished products.

All non-tariff barriers including exchange controls and foreign investment holdings should be lifted. Investment promotion for nationals and foreigners should cease to exist while local as well as foreign trading companies are allowed to produce and distribute goods and services with minimal restrictions.

Under the final thesis, goods and services should be allowed to move across national boundaries without tariff and non-tariff restrictions. With a truly unified market emerging by the end of the 10th year of implementation, investments by nationals and foreigners should be treated the same.

(Under the current proposal, ASEAN economic ministers agreed that the free trade zone should be accomplished within 15 years and that agriculture, capital goods and services ought to be exempted from free trade.)

Wirot: I would like to comment on the three theses as a member of the private sector. What the governments always bore in mind when they mapped out the proposal was to maintain ASEAN solidarity, but that is not the case for the private sector. We want to see solutions, competitive choices and advantages coming out of such a regional market.

Apart from the six ASEAN countries, we are also looking at the region in the year 2000, when the southern part of China, Taiwan and Indochina could also be encompassed. The total population could rise to 550 million as opposed to 325 million in ASEAN now.

By 2000, the ASEAN population will increase to 384 million. If what the private sector envisaged proves accurate, this common market will be bigger than the European Community. Thai businessmen are very interested in this market.

In the next 10 years, we expect ASEAN members to narrow their differences in economic and social development if countries in the region continue to grow seven per cent annually over the next 10 years as predicted by the International Monetary Fund.

Based on the present growth rate of 11.9 per cent, we can list the ASEAN countries according to the stages of their economic development as follows: Singapore, Thailand, Malaysia, Indonesia, the Philippines. For manufacturers, the fact that these countries have a large proportion of young people is very important because we would be able to influence their behaviour more easily.

In the future, we will need to come up with more creative products which I call "the products of tomorrow" in response to the demands of the younger generation.

Moreover, the private sector has assessed the risks associated with "trans-ASEAN" investment. Several scenarios have been studied by Lever Brothers including the possibility of Indonesia and the Philippines forming a common market to compete with Singapore, Malaysia and Thailand or Thailand establishing a free trade zone with Indochina while Malaysia enters into a similar arrangement with Singapore to compete against each other.

These theses, we believe, are highly possible in the next 25 years. Developing discrepancies between Singapore and Indochinese states would be evident and how ASEAN coped with it could pose a major challenge.

As we see it, ASEAN is a melting pot of Muslims, Buddhists and Christians. Their economies are so similar that they tend to be more competitive than complementary to each other.

We, the businessmen, see ASEAN not as six individual markets but as two very distinct entities—one of the rich and the other of the poor. Their wants are so easy to distinguish.

Moreover, ASEAN is also faced with shortages of qualified personnel and intermediate raw materials, high tariff barriers on imports and lack of genuine research and development.

So far, businessmen have resorted to very traditional marketing techniques; they manufacture goods in mass quantities and try to sell them. If they can't, they offer discounts. The free market does not function well under such circumstances.

There is a serious need to develop truly regional companies based in Thailand or other ASEAN countries and multinational companies based in ASEAN.

To set up such ventures successfully, we need up-to-date market and product information so that we can develop a one-brand-one-product which can be sold successfully in all six ASEAN countries.

Establishment of a Regional Innovative Centre is necessary to develop the scientific and technological skills of ASEAN nationals so that they can process their own technologies relevant to the business and industrial development of each country.

Human resources development will pose another problem if ASEAN is to create a free market. Transfer of personnel across national boundaries should be allowed without much paperwork and formality. Employment should be left to the judgement of individual companies according to their strategies.

If we are to set up a regional company, what should we do? The first step for manufacturers is to develop the internal market and find a niche in this vast market. Languages used on labels and packaging must attract ASEAN consumers, not just those in specific countries.

Moreover, tariff rates should be harmonized. Thailand, for instance, maintains an average 60 per cent tariff rate on consumer goods, which is extremely high compared with other ASEAN countries. This should be halved.

The private sector, I believe, welcomes any initiative which induces free competition nation-and region-wide. Price fixing is not constructive in the long term for it contradicts the government's attempts to promote investment in general.

Investors should be free to decide whether or not any new investment is justified.

Phatchara: I believe governments do not want to intervene in private business affairs, but most of the time we are forced to do so because whenever the government has gone too far and lost control of the private sector, there were always disquieting signs that manufacturers were colluding, a practice which can hurt consumers tremendously. This is what we have to monitor.

But I agree that based on free trade principles, the government should free prices of raw materials and finished products and allow imports to compete freely with locally-made goods.

Wirot: If we are to compete with foreign producers, the private sector really wants the government to help strengthen the industrial base by means of lowering import tariffs on machinery and raw materials. It would be wonderful if primary raw materials were taxed at only 5-10 per cent. Now we are paying 40-60 per cent import tax on these items, leading to smuggling.

Import bans should be converted into tariffs because that would still allow competitive products from abroad to enter the market. For instance, the import ban on palm oil forces local producers to buy palm oil at Bt12 a kilo while Malaysia sells at half the price. If the government lifted the ban and imposed import taxes instead, it would still be acceptable to buy imports at Bt9 a kilo.

For processed products, the proposed tax rates range from 20-30 per cent. Whether local manufacturers can compete under this structure has yet to be seen, but prior to market opening, the private sector needs to be strengthened so that businesses can function efficiently and at a low cost.

The private sector wants the free trade proposal to be implemented as soon as possible and Lever Brothers is glad to participate in this experiment and observe what consequences will follow. What concerns us is that if the concept is not implemented now, we might lose the opportunity forever.

Phatchara: Let me table a new proposal. If the import tax on all products traded among ASEAN countries were cut to zero in 10 years, what would the private sector think?

Wirot: We support it as long as the membership of ASEAN remains unchanged. But if ASEAN was to encompass the southern part of China, Taiwan and Indochina, I don't think the proposal would be acceptable.

(At this point, Phatchara asked the floor for comments. A participant said that 10 years would be acceptable and that a zero-rate tariff would work well as inefficient industries would be driven out of the game.)

Phatchara: What if we were to cut import tariffs on electrical appliances traded among ASEAN to zero within three years and free trade of consumer goods in the first six months after implementation?

Floor: Three years would be too short a timeframe; five years would be more appropriate but the governments have to ensure that the tariff reductions spread from downstream onward with no exceptions.

Wirot: I would suggest that any products that are competitive enough should be freed in the shortest time possible, while other sectors which might not be ready should be gradually integrated into the free trade concept. We should not waste any more time on liberalization.

Phatchara: If we allowed free trade in ASEAN before free trade of the same product in domestic markets, what would happen?

Wirot: It is impossible and incompatible. Liberalization must be undertaken for both internal and regional markets.

Phatchara: If we continued to restrict imports or raw materials, would the private sector be able to compete?

Wirot: We couldn't because tariffs would still obstruct production, raising costs artificially.

Phatchara: What if we exempted agriculture and liberalized manufactured goods in 10-15 years through reducing import taxes to a zero rate? Or if for raw materials imports a high tariff of 60-100 per cent was imposed and no re-export of raw materials was allowed?

Wirot: Agriculture would be politically sensitive while the manufacturing sector would not be a problem. But high import tariffs on raw materials and machinery would continue to impose high costs on manufacturers.

Phatchara: If the import tax on products traded among ASEAN was cut to zero while the import tax on non-ASEAN goods remained the same, would the private sector be able to compete with other ASEAN-made goods?

The reason I pose this question is because ASEAN governments have to define the ASEAN products eligible for tax concessions. According to our definition now, at least 40 per cent of the added value must be worked out in any ASEAN country to be classified as ASEAN goods.

Wirot: In this case, some products might not do well while some could still succeed.

Phatchara: Would the Thai private sector be able to compete if member countries were allowed to retain their own product standards and to bar imports that did not meet the standards?

Wirot: We can still fight in this instance. The private sectors of the six countries might hold consultations to set standards which are presently more or less comparable. We are really on good terms.

Phatchara: On foreign exchange deregulation, would it be convenient for businesses if investment and capital flows were not freed?

Wirot: This is one of the major issues that is key to investment expansion. At present, we can source credit from overseas which carries low interest rates of only 7-9 per cent.

Phatchara: I would like to conclude here that we in the government will try our best to ensure that the free trade area facilitates the growth of the private sector, but surely we cannot expect to enjoy 100 per cent benefits. The Thai working group originally proposed that all sectors be brought under the concept except unprocessed farm commodities.

Under the proposal, tariffs should be cut to 0-5 per cent over a period of 10 years, but it seemed that ASEAN preferred a longer timeframe and we agreed on 15 years.

We use "sectoral approach" to liberalize trade as opposed to "the-across-the-board cut". We will liberalize sector by sector according to the customs code.

Every two years, we will review the sectors and add some to the free trade arrangement. Within six months after identification under the free trade regime, the import tariff on these sectors must be reduced to 20 per cent. Within 4-5 years, the applied tariff rates should fall to 0-5 per cent.

Moreover, tariffs imposed on imports from non-ASEAN countries must be unified to achieve what we call "a common external customs" system.

Editorial on Tasks Facing Australia's Keating

BK2312043791 Bangkok BANGKOK POST in English 23 Dec 91 p 4

[Editorial: "Why Paul Keating Must Move Fast"]

[Text] The first reaction is to wonder why Paul Keating wanted to become prime minister of Australia right now. A recession has socked in the economy of that country like a fog bank on a fishing ground. Although basking in early congratulations for helping to move Cambodian peace efforts along, Canberra faces major foreign policy trouble in Indonesia. Confidence in government is near an all-time low, and cynicism at an all-time high. Mr Keating faces major challenges as prime minister. With elections due by May 1993, he risks being tarred with the brush of failure before that. It will be no small job turning the Australian voters back to belief in the efficiency of the Labor Party.

His first order of business is a stricken economy that has shown few signs of recovery by natural means. There is little doubt Mr Keating intends to move quickly to undo some of the policies he instituted as treasurer. A one-time believer in letting the free market decide interest rates, Mr Keating now is considering government management of them. His backers in the winning contest for the premiership intimated that a major drop in the prime lending rate from 8.5 per cent could be in the offing quickly. Such moves always are gambles. If easier money provides a jump-start to the economy—Mr Keating's bet—he probably will be unbeatable in the next election. If he fails, surging conservatives likely will chase his party into opposition.

With 10.5 per cent of its work force looking for jobs, Australia is in the worst economic shape in nearly 60 years. Back when he was treasurer to Prime Minster Bob Hawke, Mr Keating said this was the recession Australia "has to have." The country, he said, was in debt because his countrymen were buying too many foreign goods. He brings that basic attitude to his new position. "I want to go back to what we (Labor) do best," Mr Keating said immediately after defeating Mr Hawke in a Labor leadership poll. "That is creating jobs."

Emergency measures are needed. A reduction in interest rates is a common tactic. Mr Keating should remember, however, that the good times in Australia are built on Aussie know-how and inventiveness. He should avoid any further intrusion by government into the private sector and ignore calls from his party's left wing to increase taxes on the rich as some kind of misguided stopgap to shore up decreasing government revenues. More importantly, Mr Keating must resist any urge to force his citizens into buying Australian-made products. Australia is the founding member of the Cairns Group, dedicated to increasing free trade. A move to stop buying foreign goods by adding tariffs would do great damage to the international trade climate.

Fresh faces can work wonders in strained foreign relations, hwoever, and Mr Keating has an opportunity to better his country's relations with Indonesia. Australians were rightly outraged at the recent massacre of East Timorese by Jakarta troops. Mr Keating must work to make it clear that Australia's outrage over the Dili killings do not extend into every facet of relations between the two neighbours.

Mr Keating must go to his voters in less than a year-and-a-half. He faces an uphill struggle to regain the confidence lost by Mr Hawke during the recession. It will be a tough job matching Mr Hawke's charisma and he will be judged more on his performance than was his colourful predecessor.

Bob Hawke, the longest-serving Labor prime minister in Australia's history, will be missed by his many friends abroad. His face was long familiar at gatherings of the West's powerful leaders. His many accomplishments—including formation of the Cairns Group of which Thailand is a member—will not quickly be forgotten.

Mr Keating is going to need all the help he can get if he is to pull Australia out of its gravest economic crisis since the Great Depression. Australians certainly will give him the traditional political honeymoon to try to succeed, but he may have only a brief time to show results. As the Australians would say, "good on 'im"—if he can do it.

Elections Set for 22 Mar; Anan Explains Delay

BK2412133991 Bangkok Radio Thailand Network in Thai 1200 GMT 24 Dec 91

[Text] Prime Minister Anan Panyarachun spoke to reporters at Government House this afternoon. He said Sunday, 22 March has been designated as the date for the general election.

The 22 March date has been set, instead of 8 March as proposed by the Interior Ministry, for two reasons. First, schools have to be used as polling stations, and the current academic year does not end until late March when examinations are scheduled. If elections are held on 8 March, many problems will be created for schools throughout the country. Second, several bills that are pending consideration in the next one to two months in the National Legislative Assembly [NLA] must be approved at the commission level by the cabinet. If the NLA does not have enough time to consider the bills, they could be dropped. The government wants to see all of its proposed bills debated and approved by the NLA.

The prime minister says consideration on forming a neutral body for monitoring the election is continuing. He has no new information to report on the organization at this time, but he expects to finalize the composition of the body and define its tasks and powers within 10 days.

Meanwhile, Deputy Interior Minister Charoenchit na Songkhla informed reporters that the prime minister will meet with the Interior Ministry permanent secretary tomorrow at 1400 concerning the election monitoring body.

Candidates To Register 10-14 Feb for Election

BK2512144091 Bangkok Army Television Channel 5 in Thai 1230 GMT 25 Dec 91

[Text] The Interior Ministry has set between 10 to 14 February, 1992 as the period for accepting applications of candidates to run in the general election. Deputy Interior Minister Charoenchit Na Songkhla said that as the draft election bill was approved by the National Legislative Assembly, the Interior Ministry will be able to arrange the general election. Now, the ministry has set between 10 to 14 February as the period to accept applications for the election. There will be 36 days for the candidates to campaign for the election after the application period.

Party Leader Nakhonthap Gives Poll Predictions

BK2612010591 Bangkok THE NATION in English 26 Dec 91 pp A1-A2

[Text] A Five-party coalition government would be formed after the general election and outsider, perhaps an economist, would be nominated as the next prime minister, Samakkhi Tham Party secretary general Sqn Ldr [Squadron Leader] Thiti Nakhonthap has predicted.

Samakkhi Tham and Chat Thai would form the core of the coalition said Thiti, who has extensive military connections.

In an exclusive interview with THE NATION at his home on Tuesday, Thiti contended that the priority of the next prime minister would be to create what he called "charms" in Thai for Thailand so that foreign investors would be encouraged to resume investment.

"A man with a military background just does not fit the present situation where security is no longer the major concern. It's economic strength that Thailand needs to build up to become an economic centre of gravity of the region," he commented.

Thiti said that in principle the next prime minister should be the leader of the largest party in the new coalition government.

"But I am afraid that in real politics, no political party would let the leader of another party become the prime minister," he said.

Asked about the chances of new Chat Thai leader ACM [Air Chief Marshal] Sombun Rahong becoming the prime minister, he said tongue-in-cheek, "He would rather hang himself than accept the top executive post."

Thiti is known to have a close relationship with ACM Sombun, who resigned as Airports Authority of Thailand managing director to succeed former premier Gen Chatchai Chunhawan as Chat Thai leader.

Thiti refused to name what he described as "three big parties and two smaller parties" in the coalition line-up that he said would make up the government.

But he acknowledged that his party and its ally, the Chat Thai Party, would seek to win about 150 House seats in the election which is scheduled for March 22.

Informed party sources, who asked not to be named, clarified that the party was eyeing the Democrat Party as the third major partner in a coalition. The Social Action Party, which recently appointed Lt Gen Kasem Kraisan, a former army officer close to Supreme Commander Gen Suchinda Khraprayun, as its secretary general, and the Prachakon Thai Party of former communications minister Samak Suntharawet could be the two junior partners Thiti has in mind.

Commenting on the general perception that the Democrat Party and the military were not on friendly terms, Thiti said this was no longer the case. He described the relationship between the military and the Democrats as having improved tremendously.

But Thiti denied his party was a political broker for the military. He added that the military would not have any role in the formation of the new coalition government.

"The image of our party being under the thumb of the military is not true. The only connection between us is my personal ties with top military officers, and since taking on a political role, I have avoided meeting them," he said.

Thiti also said that apart from Chat Thai and Samakkhi Tham, it had not been definitely decided what other parties would be in the coalition.

Although Thiti said his party agreed in principle that certain undemocratic parts of the Constitution should be amended, launching moves for amendments right after the polls could backfire on the country.

"This is a very divisive issue and the priority is for the next government to project an image of political stability to attract foreign investment in this new era of economic competition," he said.

During the election campaign, Thiti said, his party would emphasize the need for the next government to create jobs in the rural areas, particularly in the barren Northeast.

"The priority in our campaign platform would be there in the rural areas and not in the capital. One idea is for the government to promote cattle-raising in the Northeast," he said.

He added that the party would also oppose reforestation projects by the private sector in denuded areas of national forest reserves. Instead of giving a big company a concession to grow eucalyptus trees on a large plot of land, the government should resettle landless farmers and encourage them to grow commercial crops, he said.

Thiti did not expect his party to win a House seat in Bangkok, but he set high hopes for the party to score well in the Northeast, the North and the eastern seaboard area.

He said the party was aiming to win 40 House seats in the Northeast, 30 in the North and 15 in the eastern region.

"We should be able to win a total of 80 seats. But to be conservative, I am confident we will get 70-plus," he said.

Thiti said Chat Thai would win a similar number of House seats.

"No party will sweep as many as 100 seats, I bet," he said.

Thiti added that either Chat Thai or his party would be the largest to emerge from the polls.

The SAP, with Kasem as secretary general, should win about 30 seats.

"The writing is already on the wall that Samakkhi Tham will be in the next government," he claimed.

Thiti said that the replacement of anti-military critic Sqn Ldr Prasong Sunsiri by former Interior Ministry permanent secretary Phisan Munsatsathon as secretary general of the New Aspiration Party should be conducive to reconciliation between the two parties.

Prasong was harshly critical of Samakkhi Tham when he served as acting secretary general. But in a surprise move last Sunday, Chawalit, under pressure from of a group of former northeastern MPs, named Phisan as secretary general.

Thiti said he can work with Phisan.

In an indirect criticism of Prasong, the Samakkhi Tham secretary general said that the nature of politics was to make friends and not to antagonize others.

Chaloem Returns From Denmark, Released on Bail

BK2412143591 Bangkok Radio Thailand Network in Thai 1200 GMT 24 Dec 91

[Text] At the Bangkok International Airport this afternoon, Police Captain Chaloem Yubamrung returned to Thailand after taking political asylum in Denmark for 10 months. He returned with his wife and two sons.

Policemen led by Police Colonel Urai Si-urai, who has been assigned by the Police Department director general to handle legal cases involving Chaloem, led Chaloem to the Metropolitan Police School to serve Chaloem his indictments. Urai informed reporters that three indictments were levied against Chaloem, who pleaded not guilty to all three charges and requested that his statements be given in court. Chaloem was released on bail, which was set at 130,000 baht for the three indictments.

After being released on bail, Chaloem went to see National Peacekeeping Council Chairman General Sunthon Khongsomphong at 1800.

Vietnam

Eighth National Assembly Meetings Continue

TV Cites 18 Dec Debate

BK2412154391

[Editorial Report] Hanoi Vietnam Television Network in Vietnamese at 1200 GMT on 18 December 1991 broadcasts a 12-minute report with portions recorded on the 18 December National Assembly debate over the socioeconomic and state budget issues.

After introducing the subject debated by the deputies at their 18 December session, the announcer says that "most of the views expressed by the National Assembly deputies agreed with the report of the Council of Minsiters that despite the difficult socioeconomic situation in 1991, a number of important production sectors have continued to be able to maintain their production levels and have achieved steady growth. Political stability has also been reportedly maintained."

The announcer says that the deputies spent a great deal of time "analyzing certain weaknesses in state management, in production and business, and in financial and banking operations." A number of deputies "touched on the situation regarding agricultural production. They unanimously agreed that agricultural production in the past was successful. Despite great losses caused by natural calamities, total grain output reached 21 million metric tons, thus ensuring domestic grain consumption and making essential contributions to keeping the grain price stable."

The announcer says that the deputies also suggested different approaches for effectively implementing the 1992-95 socioeconomic task. He then provides a sampling of views expressed by the deputies on this issue as follows [all the views expressed by deputies are recorded]:

—Deputy Mai Van Bay from Ho Chi Minh City proposed certain approaches for renovating the state-run economy and promoting market mechanisms which consist, among other things, of "selecting pilot sites to increase the sources of capital for the state by allowing enterprise workers to buy certain enterprise shares under preferential conditions so they can become their own bosses in reality and can associate themselves more closely with the success of their enterprises; and shaping up state-private enterprises under various forms of joint venture."

—Deputy Tran Thanh Liem from Minh Hai Province proposed that "tax reductions must be given to farm producers as an incentive for increased farm production," and that "it is necessary to mobilize all those material bases and all the manpower now under the management of various national defense or security agencies for production purposes. I think that this matter should be given attention by national defense officials. With national defense forces engaging in production, we will be able to increase national defense budget."

—Deputy Dang Quoc Tien from Bac Thai Province said that "the pricing of farm products remains the most important issue in agricultural development. This is because if peasants are given appropriate prices for their farm produce, they will engage more effectively in production and the state will certainly not have to put in much capital investment as peasants will use their own money and manpower in harnessing their land."

—Female Deputy Lo Thi Be from Lai Chau Province proposed that "in the 1991-95 plan for the mountain region, priority should be given to investing in road construction and in small farmland irrigation projects in order to create conditions for the mountain region to achieve economic, cultural, and social development."

The announcer then provides a roundup of various views expressed by the deputies, he said: "Although all the views expressed by the deputies dealt with various socioeconomic issues, they reflected the general idea that the stepping-up of production must be carried out along with the renovation of the wage system."

The announcer also mentioned the views of a deputy as calling for more specific state policies to attract foreign investment and to increase investment in the development of new technologies, especially in scientific-technical development for the service of agriculture.

In this regard, Deputy Nguyen Co Thach from Ha Nam Ninh Province said that "we should not continue to apply our previous mode of doing business in the rural area. We should shift agriculture from intensive to extensive development. As an immediate task, the application of the VAC [abbreviations for vuownf, ao, chuoongf—meaning fruit orchards, fish ponds, and pigstalls] solution is advisable." He went on: "The anti-inflation struggle should not be carried out at the same time with efforts to promote economic development and resolve unemployment. Anti-inflation efforts have a positive aspect as it will create long-term conditions for economic stability and development and to eliminate the unjust redistribution of income and speculation. But it also has a negative aspect—that is, it will cause a temporary reduction of the economic growth rate and a rise in unemployment. As an immediate task, we should fight inflation. After one or two years of fighting inflation, we will have essential conditions to stabilize and develop the economy in a long-term and steady fashion and, at the same time, to solve the unemployment problem. With regard to the state apparatus and its role, although we have shifted our centralized, bureaucratic, subsidy-based, self-support, and self-sufficient economy to a market economy with a socialist direction, we continue to maintain the state apparatus in the same manner as the former system. This is a big obstacle in the current macroeconomic management, and also one of the causes that has rendered us unable to escape from the socioeconomic crisis in general, and from the bad practices of corruption and smuggling in particular."

The announcer concludes this report by saying that "a number of deputies have sympathized with the views that we should place our socioeconomic development task within the framework of historic changes in the world, and that not only will we have to renovate the structure of our economic management, but we will also have to replace our old technological system with a new one."

20 Dec Session Detailed

BK2512065091 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 20 Dec 91

[Report from station correspondent Ngoc Ky on 20 December National Assembly debate]

[Text] Dear friends, today, 20 December, is the 10th working day of the 10th Session of the Eighth National Assembly. The National Assembly held a plenary session at the Conference Hall under the chairmanship of National Assembly Chairman Le Quang Dao.

In the morning, the deputies heard Comrade Hoang Quy, minister of finance, answering questions on issues related to national budget expenditures and revenue, the foreign debt situation in 1991, and the 1992 National Budget Estimates. Comrade Tran Dinh Hoan, minister of labor, war invalids, and social welfare, answered questions on salaries, wages, and social welfare. And Comrade Cao Sy Kiem, governor of the Vietnam State Bank, answered questions on the bank's activities.

From questions asked of the deputies, Finance Minister Hoang Quy further clarified some major points regarding the evaluation of the implementation of the 1991 national budget.

In 1991, the financial policy was moving in the right direction, uniting the finance system from the central through the local level. Despite difficulties, the national finance system has become stronger, contributing to the control of inflation and socioeconomic stabilization. However, revenue collection is too little compared with the plan, there is not enough revenue to cover expenditures, and the inflation rate is much higher than predicted. These are the urgent issues that the Council of Ministers, the Ministry of Finance, and related sections must quickly coordinate in solving with suitable measures in order to roll back inflation.

Regarding the 1992 National Budget Estimates, the target of the financial and monetary work is to strengthen and motivate financial contributions within the country and from overseas; use resources efficiently and economically to meet socioeconomic, security, and national defense requirements; and to partly improve workers' salaries and wages. The Finance Ministry prepared a report on total expenditures and revenue for presentation to the Council of Ministers. In the report, tax collection represents the main source of revenue.

At present, many state-run economic units still owe a great amount in taxes and local tax offices should speed up collection. On the other hand, fighting smuggling should be strengthened because smuggling results in lost tax revenue. We also lose a great amount of tax revenue from non-state economic units and from handicraft production and small industry. The foreign debt is another difficult problem for the Ministry of Finance.

In order to increase revenue and fight tax collection losses, the ministry continues to train its cadres, mainly tax officers. It is instructing workers at non-state economic units in Ho Chi Minh City to use new accounting and statistics reports in a pilot program. It is also working hard to strengthen coordination with local authorities in tax collection.

In regard to salaries, wages, and social welfare policies, most deputies suggested that the salary and wage policy be renewed and that there must be enough social welfare benefits for the needy to live on. Comrade Minister Tran Dinh Hoan stated that from next year, the government will spend hundreds of billions of dong to compensate people for being laid off at work and to help them find other jobs. Funds for moving people to new economic zones will be increased by many times. In the 1992 National Budget Estimates, salaries will increase by 100 percent, wages by 200 percent. The minimum wage policy of paying 45 kilos of rice is reasonable but our national budget is facing many difficulties, thus we cannot implement the policy immediately; we can only apply it gradually.

Answering questions on banking operations, especially the implementation of the cost accounting system and the positive interest policy, Comrade Cao Sy Kiem, governor of the Vietnam State Bank, said that the bank plans to closely monitor the situation. It is gradually adjusting interest payments on deposits and loans for effectively run economic units. For units that owe debts to other economic units and the bank, the old interest rates still apply.

Managing cash and foreign currency is a difficult task and the bank sector will try its best on this. We are still having trouble managing foreign currencies. We are only able to adjust foreign currency rates up to their market prices in Hanoi and Ho Chi Minh City, leaving a great deal of foreign currencies in the free market. At present, the bank pays higher interest rates on foreign currencies compared to the rest of the world, but it has still been unable to attract much in deposits. Foreign currencies are used to a great extent in smuggling.

Regarding the sudden increases in the price of gold and the U.S. dollar exchange rate in the past, the comrade governor pointed to three causes: first, the balance between demand and supply; second, government management; and third, the psychology of sabotage. The increase has had a great impact on our society.

In order to solve the problem, the Council of Ministers directly balanced supply and demand by implementing some measures such as: stepping up control measures, postponing the import of non-essential goods, issuing bills of exchange and fixed-term bills of exchange, and selling gold on the free market. Consequently, the gold price has come down.

The operation of two foreign currency exchange centers in Hanoi and Ho Chi Minh City has fulfilled the demand for foreign currency from economic units, thus leading to the gradual decrease in the U.S. dollar exchange rate. The bank is trying to keep the price steady or lower it further.

In regard to financial transactions, the governor mentioned two measures to speed up capital turnover. They are intensifying debt repayment in economic units and creating a new financial transaction system. The new system applies different forms of transactions such as using credit checks, withdrawing money from savings accounts at different bank branches, issuing shares and debentures, and so forth. The control system of these measures must be tightened to avoid negativism.

About savings account operations, the deputies pointed out that in some localities, the bank would not accept deposits to savings accounts. The comrade governor confirmed that but also said it is not the bank's policy. He attributed the practice to the fear in some local branches that the branch will not be able to lend out the deposit money, therefore failing to make a profit from the transaction. The bank has stopped that practice.

Implementing policies to combat inflation and overcome the cash shortage is a difficult task, and the comrade governor called for the assistance of government at all levels and all sectors in this regard.

Vo Van Kiet Speaks 21 Dec

BK2512051591 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 21 Dec 91

[Station correspondent's report on 21 December National Assembly Session—portions recorded]

[Text] On 21 December, the Eighth National Assembly's 10th session continued its work at the Ba Dinh Conference Hall in Hanoi under the direction of its Chairman Le Quang Dao.

At the morning session, the National Assembly heard Council of Ministers Chairman Vo Van Kiet analyze issues related to the discussions made by deputies during the past several days. These include the current socioeconomic situation, efforts to fulfill targets set for 1992-1995 period, maintenance of social order and discipline, and balancing of the state budget and so forth.

In his statement, Chairman Vo Van Kiet said that difficulties are still prevalent in carrying out the socioeconomic orientations set for the 1991-1995 period and up to the year 2000. He said, however, that positive changes have been achieved in various aspects of the national economy. There also exist favorable conditions, opportunities, and prospects for socioeconomic development and stabilization. Comrade Vo Van Kiet stressed: We must formulate concrete measures to better resolve the pressing socioeconomic issues to fulfill the set targets. He spent time explaining to the deputies about the two most difficult issues at present—namely the high rate of inflation and loose enforcement of law and discipline. Moreover, corruption, smuggling, and bureaucratism and so forth are still prevalent. Dealing with these issues, Chairman Vo Van Kiet said:

[Begin Vo Van Kiet recording] Generally speaking, the problem of prime concern now is the loose enforcement of law and discipline which is caused by many factors, including the lack of a uniform legal system, personnel management, and economic activities. Moreover, control work was not strict and prompt while the life and work styles of our people changed very slowly. On this occasion, I would like to say that the recent second plenum of the Communist Party of Vietnam [CPV] Central Committee—held after the seventh national party congress—raised the problem of loose enforcement of law and discipline and warned that this will lead to degeneration and inefficiency in the state management work. As a result, I think that, first we must pay more attention to formulating measures to overcome this situation, thus it requires uniform efforts by all sectors, state agencies, and party organizations to fulfill this task. Second, we must strive to strictly enforce the state law and discipline at state management agencies. We may formulate more measures to carry out this task and to overcome difficulties to fulfill it at our utmost efforts. For those who violated party discipline, measures will be taken against them in accordance with the party statutes. Those cadres, party members, managerial officials, and other people who violated the state law will be seriously dealt with. Strict enforcement of the law will help enhance social order and discipline in our country while manifesting mankind's civilization. To live in discipline and to abide by the law means to respect one another and refrain from violating other people's interests. I think that all leading cadres from the highest to lowest levels must set a good example in this regard. I would like to say that regarding this issue, the CPV Central Committee Political Bureau is preparing to strictly implement the resolution of the party Central Committee second plenum. Moreover, after this National Assembly session, the Council of Ministers will make its utmost efforts to provide guidance and supervision to satisfactorily implement resolutions of the National Assembly regarding these issues. I would like to stress that if we consider these issues as vital ones, we must strive to effect meaningful changes, otherwise we cannot advance further. [end recording]

Afterward, Comrade Vo Van Kiet raised a number of issues related to the economic development program at present. He analyzed and clearly pointed out favorable conditions gained by our country in its international trade relations. He said that the foreign investment policy set by the party and state has scored initial achievements in drawing investment from foreign countries. He, however, called for efforts to concretize this policy to attract more foreign investments.

He stressed that in implementing the economic development strategy, we must, first of all, bring our existing potential and capability into full play while striving to attain and apply the world scientific-technological innovations to our production. He said that the most important thing is to firmly maintain independence and sovereignty to effectively carry out economic development programs.

Finally, Chairman Vo Van Kiet presented a number of measures aimed at managing and balancing the state budget. These include efforts to collect full taxes at such sectors as import-export, trade, business, and services. He said that agencies concerned must make great efforts to effectively oppose corruption and smuggling, while striving to study and renovate the budget structure to step by step contribute to stabilizing and developing the socioeconomic situation in the days ahead.

In the afternoon of the same day, the National Assembly held a plenary session at the Ba Dinh Conference Hall. Comrade Phung Van Tuu, deputy chairman of the National Assembly, directed the session. National Assembly deputies heard Le Quang Dao, deputy chairman of the Council of State and chairman of the National Assembly, report on activities of the National Assembly during its eighth legislature.

Afterward, Phan Van Khai, deputy chairman of the Council of Ministers, read a report reviewing activities of the Council of Ministers during its term of office of the Eighth National Assembly.

The National Assembly also heard Pham Hung, chief judge of the Supreme People's Court, report on activities of the court sector during its term of office of the Eighth National Assembly; Comrade Tran Quyet, procurator of the Supreme People's Organ of Control [SPOC], report on activities of the SPOC during its term of office on the Eighth National Assembly.

On Sunday, 22 December, the National Assembly will be in recess. On Monday, 23 December, the National Assembly will hold group discussions.

Discussions Review Assembly Activities

BK2512141791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Dec 91

[Report by station correspondent Dinh Khai on the National Assembly 23 December group discussions—portions recorded]

[Summary] "Dear friends, this morning marks the 12th working day of the Eighth National Assembly's 10th session. The National Assembly deputies held group discussions on the recapitulative reports on the activities of the Eighth National Assembly during its term of office. The discussions centered around the discharge of the key functions of the National Assembly as well as the work performance of the National Assembly, the Council of State, the Nationalities Council, National Assembly standing bodies, National Assembly delegations, and the deputies themselves."

Based on the contents of the group discussions and exchanges of opinions during break time, it can be said that generally speaking, during its term of office, the National Assembly has discharged its duties in a more substantive way and its activities have been carried out in a more democratic atmosphere.

During its term of office, the National Assembly has formulated and promulgated a series of laws and regulations covering many new issues related to economic and political reforms aimed at guaranteeing the democratic rights of citizens.

"According to many deputies, these results must be credited first of all to a change for the better in the party leadership. The party shows great respect for the National Assembly and leaves everything to the deputies when it comes to making decisions on those issues falling under the rights and duties of the National Assembly."

The National Assembly has also made many efforts to improve its workstyle and operational procedures to better reflect the people's aspirations.

"Noteworthy is the fact that compared with the previous terms of office, this time the Council of Ministers has shown a higher sense of responsibility toward the National Assembly, as reflected by the seriousness of its reports to the National Assembly and its answers to the questions raised by the deputies."

However, according to many deputies, some duties of the National Assembly, especially its supervisory role, still bear the impact of formalism. Moreover, some components of the National Assembly still lack proper forms of organization and real strength. Because most of the deputies have to perform other tasks, they do not have much time left to carry out their specific duties as National Assembly deputies.

According to Nguyen Cong Tang, a deputy from Hanoi, for the deputies to make thorough discussions on socioeconomic issues, they must have sufficient and timely information. Phung Van Hung, a deputy from Vinh Phu Province, shared the same opinion and stressed that deputies should be given more time to study documents before taking part in group discussions and other debates.

As for Dao Tuan Loc, a deputy from Phu Yen Province, he maintains that the National Assembly urgently needs special offices to help it with the collection of documents to keep the deputies well informed so that they can effectively discharge their duties.

"At this morning's session, the deputies also analyzed the subjective causes leading to the National Assembly's shortcomings and limitations. These include a failure on the part of the National Assembly, the Council of State, the Nationalities Council, the National Assembly standing bodies, the National Assembly delegations, and the deputies to overcome subjective difficulties and to renovate their workstyle and operational procedures in order to improve their work efficiency."

"The deputies fully agreed with Chairman Le Quang Dao's report on a number of observations and suggestions as to how the National Assembly can improve the quality of its activities. They stressed the need to further consolidate and renovate the party leadership as well as to create conditions for the National Assembly to discharge its duties in accordance with the functions and responsibilities defined by the Constitution and the law."

"This afternoon, the National Assembly deputies will hold group discussions on the delineation of the administrative boundaries of some provinces."

24 Dec Afternoon Session Reported

BK2412130591 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 24 Dec 91

[Text] This afternoon, the National Assembly held a plenary session at the Ba Dinh Conference Hall. National Assembly Chairman Le Quang Dao directed the session.

The National Assembly voted for the redivision of the administrative boundaries of various provinces, such as deviding Ha Nam Ninh into two provinces named Nam Ha and Ninh Binh; Thuan Hai into two provinces named Ninh Thuan and Binh Thuan; Cuu Long into two provinces named Vinh Long and Tra Vinh; and Hau Giang into two provinces named Soc Trang and Can Tho.

Also at this afternoon session, the deputies discussed a report that rounds up the term of office of the Eighth National Assembly. During a general debate, all the views expressed unanimously agreed with a report presented by National Assembly Chairman Le Quang Dao and emphatically pointed out that activities of the National Assembly in this term of office have included many new changes, especially those at its ninth and tenth sessions. The National Assembly has sucessfully demonstrated its supervisory role over the deployment of various major policies and has passed many draft laws to meet requirements arising from the renovation undertaking and the process of institutionalizing the state.

You are invited to listen to the details of the above debate in a newscast tomorrow morning.

Tomorrow, the National Assembly will continue to be in session at the Conference Hall.

25 Dec Morning Session Reviewed

BK2512061991 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 25 Dec 91

[Text] This morning, 25 December, the National Assembly continued its work at the Conference Hall to discuss and review activities of the National Assembly during its eighth legislature. National Assembly Chairman Le Quang Dao directed the session.

During almost four hours of discussion, the National Assembly heard more than 10 reports appraising the tasks and functions of the current National Assembly. Deputies also presented measures to improve the quality of tasks, methods to overcome difficulties to fulfill pending work, and activities in anticipation of the next National Assembly session.

As representatives of the people who represent the voters' viewpoints, National Assembly deputies frankly appraised activities of the Eighth National Assembly. They noted the progress and renovation made by the National Assembly in its work style in a democratic and straightforward fashion, thus achieving many concrete results in improving the people's daily life. Many deputies, however, pointed out some shortcomings and weaknesses to be overcomed to build the National Assembly—in its next term—the true people's organ of highest authority.

Regarding the struggle against corruption, many delegates called for utmost efforts to oppose this practice to ensure justice and enhance the people's confidence. Other delegates contributed viewpoints aimed at effectively improving budget and financial management as well as ensuring best results of tasks in the provinces.

Communique No. 11 Issued

BK2512151791 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 25 Dec 91

[Communique No. 11 issued by the Eighth National Assembly's 10th session in Hanoi on 25 December]

[Text] On the morning of 25 December 1991, the National Assembly held a plenary session at the Ba Dinh Conference Hall. National Assembly Chairman Le Quang Dao directed the session.

The National Assembly continued to discuss a recapitulative report on the activities of the National Assembly during its eighth legislature and other reports appraising the work performance of the Council of Ministers, the Supreme People's Organ of Control, and the Supreme People's Court.

Many National Assembly deputies expressed their views, assessing the results and shortcomings displayed in the implementation of the National Assembly's resolutions and the necessary measures to improve the work efficiency of the National Assembly.

The deputies held group discussions in the afternoon.

The National Assembly will continue to be in session at the conference hall on 26 December 1991.

10th Session Concludes 26 Dec

BK2612114491 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 26 Dec 91

[Text] The Eighth National Assembly's 10th session held its closing meeting this afternoon [26 December] at the Conference Hall. National Assembly Chairman Le Quang Dao directed the session.

The National Assembly passed a draft law on import-export taxes and the following important resolutions:

—A resolution on the socioeconomic situation in 1991 and the socioeconomic development tasks for 1992 and the 1991-95 five-year period.

—A resolution ratifying the final balance of the 1990 state budget.

—A resolution on the 1992 state budget estimate.

—A resolution ratifying the Council of State's decision on amendments and adjustments to a number of tariffs in the business and special consumption tax-tables.

—A resolution on the adjustment of the administrative boundaries of some provinces.

The National Assembly passed a resolution extending the term of office of the eighth National Assembly for three more months.

National Assembly Chairman Le Quang Dao delivered a closing speech.

Deputies Underscore 'Renovative Character'

BK2612080291 Hanoi VNA in English 0609 GMT 26 Dec 91

[Text] Hanoi VNA Dec. 26—National Assembly deputies on Wednesday morning underscored the renovative character of the incumbent assembly as compared with preceding assemblies.

They noted, however, that this highest state body not been able to rid itself entirely of formalism, recalling the several faits accomplis it had been confronted with, like the emergence of different ministries, the nomination of cabinet ministers, the redelineation of province boundaries, etc.

The deputies, who were conducting farther debates on term-end reports by the National Assembly, the government, the People's Supreme Court and the People's Supreme Inspectorate, said some laws were not practical, hence difficulties in their implementation. They also pointed to the limited competence of the various commissions in their advisory role.

Commentary Examines Issue of 'Illegal Departures'

BK2612070291 Hanoi Voice of Vietnam in English 1000 GMT 24 Dec 91

[Station commentary: "Review of the Settlement of the Illegal Departure From Vietnam"]

[Text] In 1991 the Vietnamese state has taken many measures to prevent illegal departures from the country. It has launched a propaganda campaign and cooperated with international organizations in solving the issue. Therefore, in 1991 Vietnam succeeded in preventing some 60,000 illegal departures. However, in the first months of this year many people left the country illegally due to outside incitement saying that there are possibilities for employment for those who arrived in Hong Kong and other asylum countries.

Alongside the prevention of illegal departures, the Vietnamese Government has promoted the Orderly Departure Program, ODP. In 1991 some 80,000 people left the country under this program. Meanwhile, with assistance from international organizations and countries concerned, the Vietnamese Government has also promoted the program for voluntary repatriation. From March to 7 December this year Vietnam received 19,000 voluntary repatriates from Hong Kong, Thailand, Malaysia, Indonesia, the Philippines and Singapore. In some months, November for instance, Vietnam received 1,355 voluntary repatriates from Hong Kong, more than the figure agreed between Vietnam and Britain. This shows Vietnam's goodwill.

Vietnam is ready to receive voluntary returnees who have illegally left the country and have been refused asylum in many countries on the principles of respect for their dignity in an orderly manner and with the assistance of international organizations so as to create favorable conditions for them to quickly stabilize their lives. But, repatriation must be on a voluntary basis.

Stemming from its humanitarian policy, Vietnam has helped and assisted the returnees—though they have broken the law—to settle down to normal life, even those who have left the country for the second time. Representatives of the UNHCR and other foreign organizations and newsmen have all admitted that there is no discrimination among the returnees. This manifests Vietnam's humanitarian policy. Mr (Marie Farle-Cevertois), deputy head of the UNHCR office in Hanoi said:

[Begin (Farle-Cevertois) recording in French fading to English translation] We highly appreciate the efforts made by social offices at the reception board of the repatriates which facilitates their reintegration into the community. Local reception boards of repatriates have created all favorable conditions for them. This is a big volume of work. (?With their work, he said), the repatriates are warmly received by the local people. He also said that he has visited the localities such as Haiphong and Quang Ninh where the programs of reintegration of returnees are carried out. He expressed the UNHCR's appreciation of effort made by local authorities concerning this issue. [end recording]

In 1991 some results have been obtained in the repatriation of illegal departures thanks to assistance from UNHCR, the European Community, and nongovernmental organizations from many countries. However, at present there remain 120,000 living at refugee camps in Hong Kong and other Southeast Asian countries. The settlement of the issue of illegal departure is difficult and complicated, demanding efforts and cooperation from all sides concerned. Vietnam has and will do all it can to contribute to solving this issue. Vietnam's efforts are not enough as it is facing many difficulties due to economic sanctions. Therefore, it has asked the international community, especially countries and international organizations concerned, to promote cooperation and assistance to help solve the issue of illegal departure.

Rubber, Fabric Products Production Figures Cited

BK2512072891 Hanoi VNA in English 0624 GMT 25 Dec 91

[Text] Hanoi VNA Dec. 25—The United Rubber Products Enterprises of South Vietnam has so far this year earned 1.2 million U.S. dollars through its export.

Besides its traditional outlets in Eastern Europe and Cuba, the enterprise in recent years has exported 952,000 solid tyres, 876,000 shoe soles, 140,000 hot-water bags, over 1.7 million gloves and hundreds of thousands of other items to South Korea, Germany, Canada, Denmark, Australia and Nigeria.

"By mid November this year, the Nam Dinh Textile Mill had produced 6.2 million metres of fabrics, 20,000 hankerchiefs for export to Japan and 4,000 metres of pure silk. It contributed 4.1 billion dong to the state budget, 600 million dong more than its yearly plan. The mill plans to produce 6.8 million metres of cloth and 60,000 hankerchiefs in 1992.

"The Bien Hoa Woolen Factory had won a contract for 200,000 handknit sweaters from a Taiwanese company. It is now producing 3,000 sweaters for a company of Hong Kong.

"This year the iron steel industry has produced [number indistinct] tons of rolled steel and tens of thousands of tons of other products, up by nearly 140 percent over its yearly plan and (?4) percent over last year. It contributed 16.705 billion dong to to the state budget, 13.4 percent more than planned and 62 percent more than last year's figure.

"Ha Tay Province is striving to expand its tea acreage to 4,000 hectares. Besides a 10 tons/day tea processing establishment being under construction in Luong My farm, the province plans to build others in Thach That and Son Tay, so as to increase its dry tea output to 3,000 tons in the years to come, all of which will be exported.

"The Haiphong Cement Plant has so far this year produced 270,000 tons of cement, topping its plan by 20,000 tons. Therefore, it has contributed 13.6 billion dong to the state budget, 500 million more than planned.